



**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

THE CITY OF MIAMI, OKLAHOMA

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

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TABLE OF CONTENTS

	Page
Independent Auditor’s Report on Financial Statements	5-6
Management’s Discussion and Analysis	7-17
The Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Governmental Funds Financial Statements:	
Balance Sheet	22
Statement of Changes in Fund Balances.....	23
Reconciliation of Governmental Fund and Government-Wide Financial Statements.....	24-25
Proprietary Funds Financial Statements:	
Statement of Net Position.....	27
Statement of Changes in Net Position.....	28
Statement of Cash Flows.....	29
Discretely Presented Component Units Combining Financial Statements:	
Statement of Net Position.....	31
Statement of Changes in Net Position.....	32
Footnotes to the Basic Financial Statements	33-70
Required Supplementary Information:	
Budgetary Comparison Information	
Budgetary Comparison Schedule (Budgetary Basis) – General Fund.....	72
Footnotes to Budgetary Comparison Schedule.....	73
Pension and OPEB Plan Information	
Schedules of Pension Information.....	74-77
Schedule OPEB Information	78

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Supplementary Information:

Combining Balance Sheet – General Fund Accounts.....	80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts	81
Combining Balance Sheet - Non-Major Governmental Funds.....	82-83
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds.....	84-85
Combining Schedule of Net Position – Miami Special Utilities Authority - Enterprise Fund Accounts.....	86
Combining Schedule of Revenues, Expenses and Changes in Net Position– Miami Special Utilities Authority – Enterprise Fund Accounts	87
Combining Schedule of Cash Flows – Miami Special Utilities Authority – Enterprise Fund Accounts.....	88
Combining Statement of Net Position – Internal Service Funds.....	89
Combining Statement of Revenues, Expenses and Changes in Net Position– Internal Service Funds.....	90
Combining Statement of Cash Flows – Internal Service Funds.....	91
Combining Statement of Cash Flows – Discretely Presented Component Units	92
Schedule of Expenditures of Federal Awards.....	93

Internal Control and Compliance Information

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	95-96
Schedule of Findings.....	97
Schedule of Prior Year Findings.....	98



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of the
City of Miami, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma, (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Miami Industrial Development Authority ("MIDA"), which represents 11 percent, 8 percent, and 22 percent, respectively, of the assets, net position, and operating revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for MIDA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the

business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension plan and other post-employment benefits funding schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Arlidge & Associates, P.C.
December 28, 2020

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Our discussion and analysis of the City of Miami’s financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2020, the City’s total net position increased by \$4,251,279 or 14.1% from the prior year.
- During the year, the City’s expenses for governmental activities were \$12.9 million and were funded by program revenues of \$1.9 million and further funded with taxes and other general revenues that totaled \$11.4 million.
- In the City’s business-type activities, such as utilities, program revenues exceeded expenses by \$7 million.
- At June 30, 2020, the General Fund reported an unassigned fund balance of \$689,498.
- For budgetary reporting purposes, the General Fund reported revenues below estimates of \$1,004,017 or 11.4%, while expenditures were under the final appropriations by \$818,799 or 8.3%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Miami (the “City”) and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39, and 61. Included in this report are governmental-wide statements for each of three categories of activities – governmental, business-type, and discretely presented component units. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets), and deferred outflows of resources, as well as all liabilities (including all long-term debt) and deferred inflows of resources.

About the City

The City of Miami is an incorporated municipality with a population of approximately 13,570 located in northeastern Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government.

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City’s Financial Reporting Entity

This annual report includes all activities for which the City Council of the City of Miami is fiscally responsible. These activities are operated within several separate legal entities that are reported together to make up the City’s financial reporting entity.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

The City's financial reporting entity includes the City of Miami, two blended component units, and four active discretely presented component units.

Primary Government:

The City of Miami – incorporated municipality that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities as a home rule charter city

Blended Component Units:

Miami Special Utility Authority (MSUA) – public trust that operates the electric, water, wastewater, and solid waste/sanitation services of the City.

Miami Development Authority (MDA) – public trust created to promote economic development in Miami.

Discretely Presented Component Units (separate legal entities for which the City Council is fiscally responsible, but appoints a separate governing body):

Miami Downtown Redevelopment Authority (MDRA) – public trust created to promote the redevelopment of the downtown area. The Authority does not issue separate financial statements.

Miami Industrial and Public Facilities Authority (MIPFA) – public trust that promotes the use of facilities in the City of Miami area. The Authority does not issue separate financial statements.

Miami Community Facilities Authority (MCFA) – public trust that promotes the development of commerce, housing, recreation, education and public facilities within the city. The Authority does not issue separate financial statements.

Miami Industrial Development Authority (MIDA) – public trust that promotes industry in and around the City of Miami. The Authority issues separate financial statements, and can be obtained by contacting in the MIDA offices.

Miami Education Facilities Authority (MEFA) – public trust that promotes the development of educational facilities within the city. The trust is currently inactive.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial position and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements.
- **Supplemental Information** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information, and capital assets and long-term debt information.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities, and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, electric, airport, and sanitation activities are reported here.
- **Discretely-presented component units** -- Accounts for various activities related to economic development, facility management, facility construction, and downtown development.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental und financial statement.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$34,451,289 at the close of the most recent fiscal year.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**TABLE 1
NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2020	Restated, 2019		2020	2019		2020	Restated, 2019	
Current assets	\$ 10,922	\$ 12,936	-16%	\$ 18,766	\$ 20,379	-8%	\$ 29,688	\$ 33,315	-11%
Capital assets, net	26,064	25,803	1%	24,603	19,910	24%	50,667	45,713	11%
Total assets	36,986	38,739	-5%	43,369	40,289	8%	80,355	79,028	2%
Deferred outflows	2,617	2,876	-9%	888	763	16%	3,505	3,639	-4%
Current liabilities	2,701	3,856	-30%	4,507	4,169	8%	7,208	8,025	-10%
Non-current liabilities	25,667	27,409	-6%	13,387	14,598	-8%	39,054	42,007	-7%
Total liabilities	28,368	31,265	-9%	17,894	18,767	-5%	46,262	50,032	-8%
Deferred inflows	2,050	1,478	39%	1,097	957	15%	3,147	2,435	29%
Net position									
Net investment capital assets	17,156	16,545	4%	12,900	7,232	78%	30,056	23,777	26%
Restricted	1,789	1,677	7%	304	817	-63%	2,093	2,494	-16%
Unrestricted (deficit)	(9,760)	(9,350)	-4%	12,062	13,279	-9%	2,302	3,929	-41%
Total net position	\$ 9,185	\$ 8,872	4%	\$ 25,266	\$ 21,328	18%	\$ 34,451	\$ 30,200	14%

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2020, the net investment in capital assets amounted to \$30,055,470. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, \$2,092,573 also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is amounting to \$2,303,246.

Explanations of significant changes displayed in Table 1 are as follows:

Governmental Activities:

Deferred inflows – Increased \$.6 million (39%) due to changes in pension and OPEB elements.

Business-Type Activities:

Capital asset net – Increased \$4.7 million (24%) due to an increase in purchase of capital assets and expenses in construction in progress.

Changes in Net Position

For the year ended June 30, 2020, net position of the primary government changed as follows:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**TABLE 2
CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	Restated,						Restated,		
	2020	2019	2020	2019	2020	2019			
Revenues									
Charges for service	\$ 884	\$ 1,070	-17%	\$ 26,455	\$ 25,628	3%	\$ 27,339	\$ 26,698	2%
Operating grants and contributions	914	1,260	-27%	-	-	-	914	1,260	-27%
Capital grants and contributions	58	27	112%	64	550	-88%	122	577	-79%
Taxes	7,885	7,520	5%	-	-	-	7,885	7,520	5%
Investment income	20	23	-13%	138	149	-7%	158	172	-8%
Miscellaneous	284	198	43%	1	-	100%	285	198	44%
Total revenues	10,045	10,098	-1%	26,658	26,327	1%	36,703	36,425	1%
Expenses									
General government	1,846	1,837	-	-	-	-	1,846	1,837	-
Public safety	5,421	4,930	10%	-	-	-	5,421	4,930	10%
Streets	2,820	2,859	-1%	-	-	-	2,820	2,859	-1%
Culture and recreation	1,456	1,452	-	-	-	-	1,456	1,452	-
Economic development	544	610	-11%	-	-	-	544	610	-11%
Interest on debt	831	845	-2%	-	-	-	831	845	-2%
Water	-	-	-	1,946	2,407	-19%	1,946	2,407	-19%
Wastewater	-	-	-	1,544	1,439	7%	1,544	1,439	7%
Sanitation	-	-	-	1,638	1,723	-5%	1,638	1,723	-5%
Electric	-	-	-	13,986	15,768	-11%	13,986	15,768	-11%
Airport	-	-	-	419	374	12%	419	374	12%
Total expenses	12,918	12,533	3%	19,533	21,711	-10%	32,451	34,244	-5%
Excess (deficiency) before transfers	(2,873)	(2,435)	-18%	7,125	4,616	54%	4,252	2,181	95%
Transfers	3,187	3,992	-20%	(3,187)	(3,992)	-20%	-	-	-
Change in net position	\$ 314	\$ 1,557	-80%	\$ 3,938	\$ 624	531%	\$ 4,252	\$ 2,181	95%

Explanations of significant changes in Table 2 are as follows:

Governmental Activities:

Streets – Decrease of \$.8 million (22%) due to an increase in purchase of equipment in the prior year.

Operating grants and contributions – Decrease of \$.4 million (27%) due to decrease in grants.

Business-Type Activities:

Capital grants and contributions – decrease of \$.5 million (88%) due to a decrease in airport grants.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

**TABLE 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)**

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2020	Restated, 2019		2020	Restated, 2019	
	General government	\$ 1,846	\$ 1,837	1%	\$ (1,718)	\$ (1,552)
Public safety	5,421	4,931	10%	(4,517)	(4,033)	12%
Streets	2,820	2,859	-1%	(2,613)	(2,642)	-1%
Culture, parks and recreation	1,456	1,452	-	(1,101)	(875)	26%
Economic development	544	610	-11%	(282)	(326)	-13%
Interest on long-term debt	831	845	2%	(831)	(726)	14%
Total	\$ 12,918	\$ 12,534	3%	(\$11,062)	\$ (10,154)	9%

For the year ended June 30, 2020 total expenses for governmental activities amounted to approximately \$12.9 million which was a decrease from the prior year of 3%. See Table 2 above for explanations of changes.

Business-type Activities

**TABLE 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)**

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2020	2019		2020	2019	
	Water	\$ 1,946	\$ 2,407	-19%	\$ 1,089	\$ 297
Wastewater	1,544	1,439	7%	645	521	24%
Sanitation	1,638	1,723	-5%	997	892	12%
Electric	13,986	15,768	-11%	4,488	2,454	83%
Airport	419	374	12%	(234)	303	-177%
Total	\$ 19,533	\$ 21,711	-10%	\$ 6,985	\$ 4,467	56%

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

The City's business-type activities include utility services for water, electric, wastewater, sanitation and airport.

In reviewing the business-type activities net (expense)/revenue, the following highlights should be noted:

- Total business-type activities reported net revenues of \$6,985,506 for the year ended June 30, 2020.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2020 fiscal year, the governmental funds reported a combined fund balance of \$8.0 million or a 4.5% decrease of approximately \$379,835. The enterprise funds reported combined net position of \$24.3 million or an 18.5% increase from 2019.

		<u>Fund Balance/Net Position</u>	
	Governmental Funds		Proprietary Funds
Restricted	\$ 1,833,938	Net investment in capital assets	\$ 12,899,597
Committed	999,284	Restricted for debt service and other	303,796
Assigned	3,813,568	Unrestricted	11,073,603
Unassigned	<u>1,338,593</u>		
Total Fund Balance	<u>\$ 7,985,383</u>	Total Net Position	<u>\$ 24,276,996</u>

General Fund Budgetary Highlights

For budgetary reporting purposes, the General Fund reported revenues below estimates of \$1,004,017 or 11.4%, while expenditures were under the final appropriations by \$818,799 or 8.3%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2020, the City had \$50.7 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, electrical infrastructure, water lines and sewer lines. (See table below). This represents a net increase of \$4.9 million or 10.9% from the prior year.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**TABLE 5
Capital Assets
(In Thousands)
(Net of accumulated depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		Restated				
Land	\$ 4,601	\$ 4,601	\$ 765	\$ 755	5,366	\$ 5,356
Buildings	6,725	6,557	8,250	8,739	14,975	15,296
Machinery, furniture and equipment	1,956	2,169	4,580	4,313	6,536	6,482
Infrastructure	11,873	11,241	7,647	4,367	19,520	15,608
Construction in progress	909	1,234	3,361	1,736	4,270	2,970
Totals	\$ 26,064	\$ 25,802	\$ 24,603	\$ 19,910	\$ 50,667	\$ 45,712

This year's more significant capital asset additions placed into service included:

Substation 1 Rehab	\$1,480,013
Airport lighting project	\$1,295,816
W. Central Ave Phase water line and storm sewer replacement	\$457,724
Splash Pad	\$432,515
Electric System Improvement	\$398,626
2020 Freightliner M2-106	\$285,663

See Note 6 to the financial statements for more detail information on the City's capital assets and changes therein.

Long- Term Debt

At year-end, the City had \$30.9 million in long-term debt outstanding which represents a \$1.5 million decrease, or 4.7%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

**TABLE 6
Long-Term Debt
(In Thousands)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accrued absences	\$ 540	\$ 525	\$ 165	\$ 126	\$ 705	\$ 651
Revenue Bonds	17,925	18,375	8,000	8,615	25,925	26,990
Bond Premium (Discount)	186	206	97	(3)	283	203
Notes Payable- Direct borrowing	-	-	3,138	3,483	3,138	3,483
Capital Leases	309	506	518	583	827	1,089
Totals	\$ 18,960	\$ 19,612	\$ 11,918	\$ 12,804	\$ 30,878	\$ 32,416

See Note 8 to the financial statements for more detail information on the City's long-term debt and changes therein.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

The Upcoming Year

The City will spend the upcoming year completing projects with an emphasis on expanding utility services; continuing to implement the approved comprehensive plan; and spending millions on street and utility improvements.

The FY 2020-2021 budget is expected to remain level with the exception of the continued electric, water, and wastewater utility rate increases that will fund much needed electric, water, and wastewater system improvements to include substation upgrades, line replacement, and utility expansion for an economic development project. The City expects to continue to be impacted by a struggling economy but continues building financial capacity by expanding utility services thereby improving budget stabilization for the future.

The City will also continue revenue bond and loan projects on various utility improvements such as substation and water/wastewater line replacement. Utility funds will continue to repay the debts.

The primary sources of revenue for the City of Miami are sales tax and utility (electric, water, and wastewater) revenues. Sales tax requires a vote of the people and cannot be adjusted without the people's consent. The addition of online sales tax collections continues to have a positive impact on our budget capacity to some degree. In addition, the City continues to look for ways to enhance our revenue base that will assist in the completion of major infrastructure and development projects. The Covid-19 pandemic that hit our community in March of 2020 continues to affect decision making. Spending is cautious, but, fortunately our use and sales tax revenues have been affected positively. It is yet to be determined how the economy in Miami will be affected long term, but sales tax for FY 19/20 ended up .93% and use tax up 14.71% over the previous year. As of 10/31/2020, our sales tax is up 13.88% and use tax is up 35.7%. We do not expect this trend to continue.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact:

City of Miami
PO Box 1288
Miami, OK 74355-1288

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Statement of Net Position– June 30, 2020

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and equivalents	\$ 9,956,878	\$ 11,124,532	\$ 21,081,410	\$ 627,707
Investments	166,933	1,648,104	1,815,037	-
Interest receivable	-	809	809	-
Accounts receivable, net	217,354	3,697,028	3,914,382	-
Due from other governments	1,111,566	-	1,111,566	-
Other receivables	404,599	31,718	436,317	8,265
Internal balances	(960,987)	960,987	-	-
Inventory	-	1,302,534	1,302,534	-
Net pension asset	25,191	-	25,191	-
Capital Assets				
Land and construction in progress	5,510,544	4,126,273	9,636,817	350,792
Other capital assets, net of depreciation	20,553,754	20,477,067	41,030,821	8,774,906
Total assets	<u>36,985,832</u>	<u>43,369,052</u>	<u>80,354,884</u>	<u>9,761,670</u>
DEFERRED OUTFLOWS:				
Deferred amounts related to pensions	1,959,634	538,661	2,498,295	-
Deferred amounts related to OPEB	287,667	238,463	526,130	-
Deferred amount on refunding	369,858	-	369,858	-
Deferred amount related to GRDA settlement	-	111,119	111,119	-
Total deferred outflows of resources	<u>2,617,159</u>	<u>888,243</u>	<u>3,505,402</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	1,239,217	2,608,550	3,847,767	9,136
Claims liability	624,826	-	624,826	-
Accrued interest payable	45,161	130,327	175,488	-
Long-term liabilities				
Due within one year	791,780	1,767,840	2,559,620	334,590
Due in more than one year	25,667,354	13,387,123	39,054,477	-
Total liabilities	<u>28,368,338</u>	<u>17,893,840</u>	<u>46,262,178</u>	<u>343,726</u>
DEFERRED INFLOWS:				
Deferred amounts related to pensions	1,276,046	493,735	1,769,781	-
Deferred amounts related to OPEB	773,761	603,277	1,377,038	-
Total deferred inflows of resources	<u>2,049,807</u>	<u>1,097,012</u>	<u>3,146,819</u>	<u>-</u>
NET POSITION:				
Net investment in capital assets	17,155,873	12,899,597	30,055,470	8,793,083
Restricted	1,788,777	303,796	2,092,573	-
Unrestricted (deficit)	(9,759,804)	12,063,050	2,303,246	624,861
Total net position	<u>\$ 9,184,846</u>	<u>\$ 25,266,443</u>	<u>\$ 34,451,289</u>	<u>\$ 9,417,944</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Statement of Activities –Year Ended June 30, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
General Government	\$ 1,846,254	\$ 123,147	\$ 5,203	\$ -	\$ (1,717,904)	\$ -	\$ (1,717,904)	\$ -
Public Safety	5,420,710	227,546	647,190	28,649	(4,517,325)	-	(4,517,325)	-
Public Works and Streets	2,819,904	85,995	120,438	-	(2,613,471)	-	(2,613,471)	-
Culture and Recreation	1,455,890	205,698	120,141	29,414	(1,100,637)	-	(1,100,637)	-
Economic Development	544,216	241,370	20,884	-	(281,962)	-	(281,962)	-
Interest on long-term Debt	831,105	-	-	-	(831,105)	-	(831,105)	-
Total governmental activities	12,918,079	883,756	913,856	58,063	(11,062,404)	-	(11,062,404)	-
Business-type activities								
Water	1,946,369	3,035,444	-	-	-	1,089,075	1,089,075	-
Wastewater	1,543,600	2,188,522	-	-	-	644,922	644,922	-
Sanitation	1,638,259	2,635,464	-	-	-	997,205	997,205	-
Electric	13,986,355	18,474,486	-	-	-	4,488,131	4,488,131	-
Airport	418,976	121,103	-	64,046	-	(233,827)	(233,827)	-
Total business-type activities	19,533,559	26,455,019	-	64,046	-	6,985,506	6,985,506	-
Total primary government	\$ 32,451,638	\$ 27,338,775	\$ 913,856	\$ 122,109	(11,062,404)	6,985,506	(4,076,898)	-
Component Units								
Culture and Recreation	\$ 579,350	\$ 182,936	\$ 113,376	\$ -	-	-	-	(283,038)
Economic Development	68,385	219,497	-	-	-	-	-	151,112
Total component units	\$ 647,735	\$ 402,433	\$ 113,376	\$ -	-	-	-	(131,926)
General revenues:								
Taxes:								
Sales and use taxes					7,396,525	-	7,396,525	-
Property tax					16,489	-	16,489	-
Franchise and public service taxes					314,266	-	314,266	-
Hotel/motel taxes					157,633	-	157,633	-
Investment income					19,536	138,385	157,921	138
Miscellaneous					283,955	1,388	285,343	-
Transfers - internal activity					3,186,741	(3,186,741)	-	-
Total general revenues and transfers					11,375,145	(3,046,968)	8,328,177	138
Change in net position					312,741	3,938,538	4,251,279	(131,788)
Net position - beginning, restated					8,872,105	21,327,905	30,200,010	9,549,732
Net position - ending					\$ 9,184,846	\$ 25,266,443	\$ 34,451,289	\$ 9,417,944

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Governmental Funds Balance Sheet - June 30, 2020

	<u>General Fund</u>	<u>Street and Stadium Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,362,469	\$ 692,743	\$ 5,913,873	\$ 7,969,085
Investments	1,996	-	34,235	36,231
Receivables:				
Accounts receivable	130,732	-	88,372	219,104
Due from other funds	87,808	-	45,061	132,869
Due from other governments and entities	871,836	169,605	70,125	1,111,566
Other receivables	7,500	-	-	7,500
Total assets	<u>\$ 2,462,341</u>	<u>\$ 862,348</u>	<u>\$ 6,151,666</u>	<u>\$ 9,476,355</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 121,814	\$ 77,563	\$ 687,862	\$ 887,239
Wages payable	343,154	-	8,264	351,418
Due to other funds	66,005	-	38,404	104,409
Total liabilities	<u>530,973</u>	<u>77,563</u>	<u>734,530</u>	<u>1,343,066</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	<u>92,496</u>	<u>-</u>	<u>55,410</u>	<u>147,906</u>
Fund balances:				
Restricted	23,213	784,785	1,025,940	1,833,938
Committed	-	-	999,284	999,284
Assigned	1,126,161	-	2,687,407	3,813,568
Unassigned (deficit)	689,498	-	649,095	1,338,593
Total fund balances	<u>1,838,872</u>	<u>784,785</u>	<u>5,361,726</u>	<u>7,985,383</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,462,341</u>	<u>\$ 862,348</u>	<u>\$ 6,151,666</u>	<u>\$ 9,476,355</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2020

	<u>General Fund</u>	<u>Street and Stadium Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 5,908,875	\$ 1,198,399	\$ 602,442	\$ 7,709,716
Intergovernmental	749,906	-	572,318	1,322,224
Charges for services	242,146	-	203,069	445,215
Fines and forfeitures	252,078	-	-	252,078
Licenses and permits	74,674	-	-	74,674
Investment income	15,527	3,292	717	19,536
Miscellaneous	463,168	3,790	64,417	531,375
Total revenues	<u>7,706,374</u>	<u>1,205,481</u>	<u>1,442,963</u>	<u>10,354,818</u>
EXPENDITURES				
Current:				
General government	1,617,309	-	29,878	1,647,187
Public Safety	5,237,687	-	110,419	5,348,106
Public works and streets	1,519,390	326,214	649,953	2,495,557
Culture and recreation	1,223,444	-	379,423	1,602,867
Economic development	562,164	-	-	562,164
Capital Outlay	-	-	2,688,557	2,688,557
Debt Service:				
Principal	186,858	450,000	10,141	646,999
Interest and other charges	16,962	548,688	717	566,367
Total expenditures	<u>10,363,814</u>	<u>1,324,902</u>	<u>3,869,088</u>	<u>15,557,804</u>
Excess (deficiency) of revenues over expenditures	(2,657,440)	(119,421)	(2,426,125)	(5,202,986)
OTHER FINANCING SOURCES (USES)				
Transfers in	8,430,022	1,173,711	2,311,201	11,914,934
Transfers out	(5,728,690)	(1,167,851)	(195,242)	(7,091,783)
Total other financing sources and uses	<u>2,701,332</u>	<u>5,860</u>	<u>2,115,959</u>	<u>4,823,151</u>
Net change in fund balances	43,892	(113,561)	(310,166)	(379,835)
Fund balances - beginning	1,794,980	898,346	5,671,892	8,365,218
Fund balances - ending	<u>\$ 1,838,872</u>	<u>\$ 784,785</u>	<u>\$ 5,361,726</u>	<u>\$ 7,985,383</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	7,985,383
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		26,064,298
<p>Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.</p>		147,906
<p>Certain other assets and long-term elements are not available to pay current period expenditures and are classified as deferred outflows and are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Net pension asset		25,191
Pension related deferred outflows		1,959,634
OPEB related deferred outflows		287,667
Deferred amounts on refunding		369,858
<p>Some liabilities are not due and payable in the current period and they, along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:</p>		
Capital lease obligations		(309,168)
Interest payable		(45,161)
Net pension liability		(5,822,044)
Pension related deferred inflows		(1,276,046)
Total OPEB liability		(1,677,323)
OPEB related deferred inflows		(773,761)
Accrued compensated absences		(539,734)
Unamortized debt premium		(185,865)
Revenue bond payable		(17,925,000)
<p>Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The net position of the internal service funds are reported in governmental activities:</p>		
Internal service fund net position		899,011
Net Position of Governmental Activities in the Statement of Net Position	\$	9,184,846

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Changes in Fund Balances – Changes in Net Position Reconciliation:

Net change in fund balances - total governmental funds:	\$	(379,835)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized		1,869,499
Depreciation expense		(1,607,547)
<p>In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.</p>		
		126,579
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in deferred revenue		(328,279)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p>		
Capital lease principal payments		196,999
Revenue bond principal payments		450,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Change in accrued interest payable		751
Change in accrued compensated absences		(14,387)
Change in total OPEB liability		(41,535)
Change in amortization of bond premium		20,278
Change in amortization of unamortized gain/loss		(88,766)
<p>Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:</p>		
Total change in net position for internal service funds		108,984
Change in net position of governmental activities	\$	312,741

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Proprietary Funds Statement of Net Position - June 30, 2020

	<u>Enterprise Funds</u>			
	<u>Miami Special Utility Authority</u>	<u>Airport Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,369,018	\$ 52,347	\$ 3,421,365	\$ 1,987,793
Cash and cash equivalents, restricted	7,701,972	-	7,701,972	-
Investments	1,451,458	-	1,451,458	130,702
Accounts receivable, net	3,657,633	39,395	3,697,028	-
Other receivable	436	31,282	31,718	395,349
Accrued interest receivable	809	-	809	-
Inventory	1,277,240	25,294	1,302,534	-
Due from other funds	29,755	30,128	59,883	208,585
Total current assets	<u>17,488,321</u>	<u>178,446</u>	<u>17,666,767</u>	<u>2,722,429</u>
Non-current assets:				
Cash and cash equivalents, restricted	1,195	-	1,195	-
Investments, restricted	196,646	-	196,646	-
Capital assets:				
Land, construction in progress, and water rights	4,113,412	12,861	4,126,273	-
Other capital assets, net of accumulated depreciation	16,463,189	4,013,878	20,477,067	-
Total non-current assets	<u>20,774,442</u>	<u>4,026,739</u>	<u>24,801,181</u>	<u>-</u>
Total assets	<u>38,262,763</u>	<u>4,205,185</u>	<u>42,467,948</u>	<u>2,722,429</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	541,454	(2,793)	538,661	-
Deferred amounts related to OPEB	238,463	-	238,463	-
Deferred amounts related to GRDA settlement	111,119	-	111,119	-
Total deferred outflow of resources	<u>891,036</u>	<u>(2,793)</u>	<u>888,243</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	2,434,207	4,477	2,438,684	560
Claims liability	-	-	-	624,826
Wages payable	167,753	2,113	169,866	-
Due to other funds	86,495	1,848	88,343	208,585
Accrued interest payable	130,327	-	130,327	-
Accrued compensated absences	16,344	84	16,428	-
Refundable deposits	38,195	-	38,195	-
Capital lease payable	329,194	-	329,194	-
Revenue bond payable	635,000	-	635,000	-
Notes payable	749,023	-	749,023	-
Total current liabilities	<u>4,586,538</u>	<u>8,522</u>	<u>4,595,060</u>	<u>833,971</u>
Non-current liabilities:				
Accrued compensated absences	148,151	751	148,902	-
Net pension liability	1,763,490	-	1,763,490	-
Total OPEB liability	1,092,568	-	1,092,568	-
Refundable deposits	342,597	-	342,597	-
Capital lease payable	189,261	-	189,261	-
Revenue bond payable	7,362,908	-	7,362,908	-
Notes payable, net	2,487,397	-	2,487,397	-
Total non-current liabilities	<u>13,386,372</u>	<u>751</u>	<u>13,387,123</u>	<u>-</u>
Total liabilities	<u>17,972,910</u>	<u>9,273</u>	<u>17,982,183</u>	<u>833,971</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	479,613	14,122	493,735	-
Deferred amounts related to OPEB	603,277	-	603,277	-
Total deferred inflow of resources	<u>1,082,890</u>	<u>14,122</u>	<u>1,097,012</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,872,858	4,026,739	12,899,597	-
Restricted for debt service	303,796	-	303,796	-
Unrestricted	10,921,345	152,258	11,073,603	1,888,458
Total net position	<u>\$ 20,097,999</u>	<u>\$ 4,178,997</u>	<u>24,276,996</u>	<u>\$ 1,888,458</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances

\$ 989,447

Total net position per Government-Wide financial statements

\$ 25,266,443

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2020

	Enterprise Funds			Internal Service Fund
	Miami Special Utility Authority	Airport Fund	Total	
REVENUES				
Charges for services	\$ 25,567,880	\$ 120,414	\$ 25,688,294	\$ 1,907,802
Fees, licenses and permits	132,409	-	132,409	-
Miscellaneous	537,704	-	537,704	88,477
Total operating revenues	<u>26,237,993</u>	<u>120,414</u>	<u>26,358,407</u>	<u>1,996,279</u>
OPERATING EXPENSES				
Personal services	3,804,795	45,704	3,850,499	-
Materials and supplies	10,326,374	52,044	10,378,418	-
Other services and charges	3,191,935	30,409	3,222,344	502,187
Insurance claims and expense	-	-	-	1,056,460
Depreciation expense	1,597,398	290,819	1,888,217	-
Total operating expenses	<u>18,920,502</u>	<u>418,976</u>	<u>19,339,478</u>	<u>1,558,647</u>
Operating income (loss)	<u>7,317,491</u>	<u>(298,562)</u>	<u>7,018,929</u>	<u>437,632</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	138,385	-	138,385	2,872
Miscellaneous	109,006	689	109,695	-
Interest expense and fiscal charges	(359,843)	-	(359,843)	-
Total non-operating revenue (expenses)	<u>(112,452)</u>	<u>689</u>	<u>(111,763)</u>	<u>2,872</u>
Income (loss) before contributions and transfers	<u>7,205,039</u>	<u>(297,873)</u>	<u>6,907,166</u>	<u>440,504</u>
Contributed capital	-	64,046	64,046	-
Contributed assets- governmental activities	1,458,957	-	1,458,957	-
Transfers in	6,657,933	53,050	6,710,983	-
Transfers out	(11,356,681)	-	(11,356,681)	(177,453)
Change in net position	<u>3,965,248</u>	<u>(180,777)</u>	<u>3,784,471</u>	<u>263,051</u>
Total net position - beginning	16,132,751	4,359,774	20,492,525	1,625,407
Total net position - ending	<u>\$ 20,097,999</u>	<u>\$ 4,178,997</u>	<u>\$ 24,276,996</u>	<u>\$ 1,888,458</u>
Change in net position above			3,784,471	
Some amounts reported for business-type activities in the Statement of Activities are difference because the net revenue of certain internal service funds is reported with business-type activities			154,067	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 3,938,538</u>	

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2020

	<u>Enterprise Funds</u>			
	Miami			Internal Service
	Special Utility Authority	Airport Fund	Total	Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 26,098,628	\$ 117,469	\$ 26,216,097	\$ 2,537,950
Payments to suppliers	(13,661,826)	(76,771)	(13,738,597)	(501,627)
Payments to employees	(3,821,699)	(45,538)	(3,867,237)	-
Receipts from other funds	55,426	(59,944)	(4,518)	208,585
Payments to other funds	(326,859)	-	(326,859)	(208,585)
Receipts of customer meter deposits	169,465	-	169,465	-
Refunds of customer meter deposits	(204,485)	-	(204,485)	-
Claims and judgments paid	-	-	-	(1,742,257)
Net cash provided by (used in) operating activities	<u>8,308,650</u>	<u>(64,784)</u>	<u>8,243,866</u>	<u>294,066</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,657,933	53,050	6,710,983	-
Transfers to other funds	(11,356,681)	-	(11,356,681)	(177,453)
Net cash provided by (used in) noncapital financing activities	<u>(4,698,748)</u>	<u>53,050</u>	<u>(4,645,698)</u>	<u>(177,453)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(4,837,265)	-	(4,837,265)	-
Principal paid on debt	(3,222,085)	-	(3,222,085)	-
Proceeds of capital grants	-	64,046	64,046	-
Premium on debt issued	129,341	-	129,341	-
Proceeds from debt	1,911,350	-	1,911,350	-
Interest and fiscal agent fees paid on debt	(398,844)	-	(398,844)	-
Net cash provided by (used in) capital and related financing activities	<u>(6,417,503)</u>	<u>64,046</u>	<u>(6,353,457)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchase) of investments	(35,208)	-	(35,208)	(2,872)
Interest and dividends	138,385	-	138,385	2,872
Net cash provided by investing activities	<u>103,177</u>	<u>-</u>	<u>103,177</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>(2,704,424)</u>	<u>52,312</u>	<u>(2,652,112)</u>	<u>116,613</u>
Balances - beginning of year	<u>13,776,609</u>	<u>35</u>	<u>13,776,644</u>	<u>1,871,180</u>
Balances - end of year	<u>\$ 11,072,185</u>	<u>\$ 52,347</u>	<u>\$ 11,124,532</u>	<u>\$ 1,987,793</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 3,369,018	\$ 52,347	\$ 3,421,365	\$ 1,987,793
Restricted cash and cash equivalents - current	7,701,972	-	7,701,972	-
Restricted cash and cash equivalents - noncurrent	1,195	-	1,195	-
Total cash and cash equivalents, end of year	<u>\$ 11,072,185</u>	<u>\$ 52,347</u>	<u>\$ 11,124,532</u>	<u>\$ 1,987,793</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 7,317,491	\$ (298,562)	\$ 7,018,929	\$ 437,632
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,597,398	290,819	1,888,217	-
Other nonoperating revenue	109,006	689	109,695	-
Change in assets and liabilities:				
Receivables, net	(248,371)	(3,634)	(252,005)	541,671
Other receivable	-	-	-	-
Due from other funds	(326,859)	-	(326,859)	(208,585)
Inventory	(273,111)	6,946	(266,165)	-
Deferred outflows related to pension	46,536	9,652	56,188	-
Deferred outflows related to OPEB	(197,528)	-	(197,528)	-
Deferred outflows related to GRDA Settlement	15,893	-	15,893	-
Accounts payable	113,701	(1,264)	112,437	560
Claims liability	-	-	-	(685,797)
Due to other funds	55,426	(59,944)	(4,518)	208,585
Due to employees	48,477	238	48,715	-
Refundable deposits	(35,020)	-	(35,020)	-
Total OPEB liability	53,007	-	53,007	-
Net pension liability	(156,131)	-	(156,131)	-
Accrued compensated absences	39,052	(72)	38,980	-
Deferred inflows related to pension	(3,969)	(9,652)	(13,621)	-
Deferred inflows related to OPEB	153,652	-	153,652	-
Net cash provided by (used in) operating activities	<u>\$ 8,308,650</u>	<u>\$ (64,784)</u>	<u>\$ 8,243,866</u>	<u>\$ 294,066</u>
Noncash activities:				
Assets contributed by governmental activities	\$ 1,458,957	\$ -	\$ 1,458,957	\$ -
Asset acquired by capital lease	285,663	-	285,663	-
	<u>\$ 1,744,620</u>	<u>\$ -</u>	<u>\$ 1,744,620</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Discretely Presented Component Units Combining Statement of Net Position - June 30, 2020

	<u>MCFE</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 176,253	\$ 19,353	\$ 259,978	\$ 172,123	\$ 627,707
Other receivable	8,265	-	-	-	8,265
Total current assets	<u>184,518</u>	<u>19,353</u>	<u>259,978</u>	<u>172,123</u>	<u>635,972</u>
Non-current assets:					
Capital assets:					
Land, construction in progress, and water rights	-	-	102,571	248,221	350,792
Other capital assets, net of accumulated depreciation	7,737,067	5,049	725,632	307,158	8,774,906
Total non-current assets	<u>7,737,067</u>	<u>5,049</u>	<u>828,203</u>	<u>555,379</u>	<u>9,125,698</u>
Total assets	<u>7,921,585</u>	<u>24,402</u>	<u>1,088,181</u>	<u>727,502</u>	<u>9,761,670</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	4,043	1,701	1,600	1,792	9,136
Accrued interest on notes payable	-	-	1,975	-	1,975
Notes payable	-	-	332,615	-	332,615
Total liabilities	<u>4,043</u>	<u>1,701</u>	<u>336,190</u>	<u>1,792</u>	<u>343,726</u>
NET POSITION					
Net investment in capital assets	7,737,066	5,050	495,588	555,379	8,793,083
Unrestricted	180,476	17,651	256,403	170,331	624,861
Total net position	<u>\$ 7,917,542</u>	<u>\$ 22,701</u>	<u>\$ 751,991</u>	<u>\$ 725,710</u>	<u>\$ 9,417,944</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Discretely Presented Component Units Combining Statement of Changes in Net Position - Year Ended June 30, 2020

	<u>MCFA</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
REVENUES					
Charges for services	\$ 33,144	\$ 139,792	\$ 71,774	\$ 63,964	\$ 308,674
Miscellaneous	-	10,000	1,356	-	11,356
Total operating revenues	<u>33,144</u>	<u>149,792</u>	<u>73,130</u>	<u>63,964</u>	<u>320,030</u>
OPERATING EXPENSES					
Personal services	-	94,054	-	-	94,054
Materials and supplies	-	24,849	350	-	25,199
Other services and charges	66,466	139,759	2,560	3,348	212,133
Depreciation expense	251,697	2,525	20,727	28,713	303,662
Total operating expenses	<u>318,163</u>	<u>261,187</u>	<u>23,637</u>	<u>32,061</u>	<u>635,048</u>
Operating income (loss)	<u>(285,019)</u>	<u>(111,395)</u>	<u>49,493</u>	<u>31,903</u>	<u>(315,018)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	-	-	1	137	138
Miscellaneous income	493	112,883	-	-	113,376
Gain on sale of assets	-	-	82,403	-	82,403
Interest expense and fiscal charges	-	-	(12,687)	-	(12,687)
Total non-operating revenue (expenses)	<u>493</u>	<u>112,883</u>	<u>69,717</u>	<u>137</u>	<u>183,230</u>
Change in net position	(284,526)	1,488	119,210	32,040	(131,788)
Total net position - beginning	8,202,068	21,213	632,781	693,670	9,549,732
Total net position - ending	<u>\$ 7,917,542</u>	<u>\$ 22,701</u>	<u>\$ 751,991</u>	<u>\$ 725,710</u>	<u>\$ 9,417,944</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

In determining the financial reporting entity, the City uses the integrated approach as prescribed by Governmental Accounting Standards Board Statements No. 14 “The Financial Reporting Entity”, and Statement No. 61, “*The Financial Reporting Entity: Omnibus*”, and includes all component units for which the City is financially accountable/fiscally responsible. The City’s financial reporting entity primary government presentation includes the City of Miami and the certain component units as follows:

The City of Miami – that operates the public safety, health and welfare, streets and highways, culture and recreation, and administrative activities.

The City of Miami is an incorporated municipality with a population of approximately 13,570 located in northeastern Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

Blended Component Units (separate legal entities for which the City Council is fiscally responsible, and for which the City Council members serve as the trustees/governing body of the entity):

Miami Special Utility Authority (MSUA) – public trust that operates the electric, water, wastewater, and solid waste/sanitation services of the City.

Miami Development Authority (MDA) – public trust created to promote the development of housing in Miami.

Discretely Presented Component Units (separate legal entities for which the City Council is fiscally responsible, but appoints a separate governing body):

Miami Downtown Redevelopment Authority (MDRA) – public trust created to promote the redevelopment of the downtown area. The Authority does not issue separate financial statements.

Miami Industrial and Public Facilities Authority (MIPFA) – public trust that promotes the use of facilities in the City of Miami area. The Authority does not issue separate financial statements.

Miami Community Facilities Authority (MCFA) – public trust that promotes the development of commerce, housing, recreation, education and public facilities within the city. The Authority does not issue separate financial statements.

Miami Industrial Development Authority (MIDA) – public trust that promotes industry in and around the City of Miami. Complete financial statements can be obtained from the office of the City Clerk. MIDA’s fiscal year end is July 31.

Miami Education Facilities Authority (MEFA) – public trust that promotes the development of educational facilities within the city. The trust is currently inactive.

Each of these component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

2. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide Financial Statements:

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities – Services where the City charges a fee to customers to help it cover all or most of the cost of these services it provides. The City's airport, water, sewer, electric and sanitation systems activities are reported here.

Discretely presented component units -- Accounts for various activities related to economic development, facility management, facility construction, and downtown development.

The Statements of Net Position and Activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund includes the activities of the Municipal Court Account, Drug & Safety Account, Travel Center Account, MCVB & Tourism Account, and Demolition Account. The General Fund's major funding source is a three cent sales tax, franchise fees, hotel/motel tax, and miscellaneous charges for services.
- Street and Stadium Project Fund – is a capital project fund that accounts for a .65 cent sales tax restricted for streets and other capital projects.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds include the Fishing License Fund, Street and Alley, Drug Forfeiture Fund, Summer Recreation Program, Grant Fund, RFC 07-09 Grant, MDA Housing Construction, and Police Grant.

Debt Service Funds – accounts for ad-valorem taxes levied by the City for use in retiring court-assessed judgments, general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Pool Improvements Fund accounts for recreation fees used to rehabilitate the municipal pool.
- Parks Department Projects accounts for general obligation bond proceeds used to acquire, construct, and equip city park and recreation facilities.
- Main Street Project accounts for projects related to the revitalization of Main Street.
- Capital Improvement Fund accounts for use tax used for city capital projects for various departments.
- Cemetery Perpetual Care Fund accounts for cemetery fees that are restricted for capital improvements.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting, revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and normally due and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

The City's proprietary funds include the following:

Enterprise Funds

Major Funds:

- Miami Special Utility Authority (MUSA) that accounts for the activities of the public trust in providing water, sewer, electric, and sanitation/solid waste services to the public.
- Airport Fund accounts for activities of the municipal airport.

Internal Service Funds (combined for reporting purposes)

- Group Insurance Fund that accounts for the cost of providing various group health and life insurance services to other funds and departments of the City.
- Workers Compensation Fund that accounts for the cost of providing workers compensation insurance to the other funds and departments of the City.
- Unemployment Compensation Reimbursement that accounts for the cost of providing unemployment benefits.

3. Cash and Cash Equivalents, Deposits and Investments

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments consist of long-term certificates of deposits and government money market funds. Certificates of deposit are reported at cost.

Deposits and Investments Risks

The City of Miami primary government and component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2020 by these entities are as follows:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Type	Fair Value	Credit Rating	Maturities in Years	
			On Demand	Less Than One
Demand deposits	\$ 13,112,661	N/A	\$ 13,112,661	\$ -
Cash on hand	3,345	N/A	3,345	-
Time deposits	1,815,037	N/A	-	1,815,037
Money Market Funds	7,965,404	Not rated	-	7,965,404
Sub-Total	<u>\$ 22,896,447</u>		<u>\$ 13,116,006</u>	<u>\$ 9,780,441</u>

Reconciliation to Financial Statements:

Cash and cash equivalents	\$ 21,081,410
Investments	1,815,037
	<u>\$ 22,896,447</u>

GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2020:

- Money Market Mutual Funds of \$7,965,404 were valued using quoted market prices (Level 1 inputs).

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 102% of the uninsured deposits and accrued interest thereon. The City’s policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma.

Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2020, the City was not exposed to custodial credit risk.

Component Unit:

The bank deposits of the MDRA component unit of \$19,353 at June 30, 2020 were fully insured by the F.D.I.C.

The bank deposits of the MCFA component unit of \$176,253 at June 30, 2020 were fully insured by the F.D.I.C.

The bank deposits of the MIPFA component unit of \$172,123 at June 30, 2020 were fully insured by the F.D.I.C.

The bank deposits of the MIDA component unit of \$259,978 at June 30, 2020 were uninsured by \$12,856.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Investment Credit Risk – The City’s investment policy limits investments, excluding retirement trust fund investments, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the schedule of deposits and investments above, at June 30, 2020, the investments held by the City mature between 2020 through 2021.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). No concentration of credit risk existed as of June 30, 2020.

Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the MSUA Enterprise Fund in accounts for the Oklahoma Water Resources Board promissory notes, 2001 Utility Revenue Bond and other accounts with restricted uses. The restricted assets as of June 30, 2020 are as follows:

Cash and cash equivalents:	
Cash Restricted for Refundable deposits	\$ 49,524
Money Markets Restricted for Debt Service	7,652,448
	<u>\$ 7,701,972</u>
Cash and cash equivalents, noncurrent:	
Cash Restricted for Refundable deposits	1,195
	<u>\$ 1,195</u>
Investments:	
Refundable deposits	\$ 196,646
	<u>\$ 196,646</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

4. Receivables

Material receivables in the governmental fund types and the governmental activities include revenue accruals such as court fines and economic development loans. These are reported as *Due From Other Governments*. Non-exchange transactions collectible but not available are deferred in the fund financial statements. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Business-type activities and the proprietary type fund consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	1,188,266	\$ -	\$ 1,188,266
Court fines	557,375	(444,247)	113,128
Other	432,125	-	432,125
Total Governmental Activities	\$ 2,177,766	\$ (444,247)	\$ 1,733,519
 Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 217,354
Due from other governmental agencies			1,111,566
Other receivable			404,599
Total			\$ 1,733,519
 Business-Type Activities:			
Utilities	\$ 5,725,286	\$ (2,028,258)	\$ 3,697,028

5. Inventories

Inventories are valued at average cost. Inventories in the proprietary funds relate to fuel at the airport and material and supplies for the water, wastewater and electric systems. The cost of proprietary funds inventories are recorded as expenses when consumed rather than when purchased.

6. Capital Assets and Depreciation

Capital Assets:

For the primary government and component units, capital assets are reported at actual or estimated historical cost, net of accumulated depreciation where applicable. Donated capital assets are reported at their fair

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

value at date of donation. Estimated historical cost was used to value the majority of the capital assets acquired prior to June 30, 1992. The capitalization threshold is capital assets with a cost of \$10,000 or more.

For the year ended June 30, 2020, capital assets balances changed as follows:

	Restated Balance at July 1, 2019	Additions	Transfers/ Deductions	Balance at June 30, 2020
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 4,601,374	\$ -	\$ -	\$ 4,601,374
Construction in progress	1,233,933	1,450,626	1,775,389	909,170
Total capital assets not being depreciated	<u>5,835,307</u>	<u>1,450,626</u>	<u>1,775,389</u>	<u>5,510,544</u>
Other capital assets:				
Buildings	22,666,999	513,503	-	23,180,502
Infrastructure	43,399,955	1,461,676	-	44,861,631
Machinery, furniture and equipment	11,347,703	219,083	-	11,566,786
Total other capital assets at historical cost	<u>77,414,657</u>	<u>2,194,262</u>	<u>-</u>	<u>79,608,919</u>
Less accumulated depreciation for:				
Buildings	16,109,963	345,890	-	16,455,853
Infrastructure	32,158,844	829,563	-	32,988,407
Machinery, furniture and equipment	9,178,811	432,094	-	9,610,905
Total accumulated depreciation	<u>57,447,618</u>	<u>1,607,547</u>	<u>-</u>	<u>59,055,165</u>
Other capital assets, net	<u>19,967,039</u>	<u>586,715</u>	<u>-</u>	<u>20,553,754</u>
Governmental activities capital assets, net	<u>\$ 25,802,346</u>	<u>\$ 2,037,341</u>	<u>\$ 1,775,389</u>	<u>\$ 26,064,298</u>
	Balance at July 1, 2019	Additions	Transfers/ Deductions	Balance at June 30, 2020
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 755,050	\$ 10,000	\$ -	\$ 765,050
Construction in progress	1,735,605	4,895,996	3,270,378	3,361,223
Total capital assets not being depreciated	<u>2,490,655</u>	<u>4,905,996</u>	<u>3,270,378</u>	<u>4,126,273</u>
Other capital assets:				
Buildings and utility infrastructure	21,098,912	-	-	21,098,912
Machinery, furniture and equipment	17,672,645	1,114,209	-	18,786,854
Infrastructure	20,458,336	3,832,058	-	24,290,394
Total other capital assets at historical cost	<u>59,229,893</u>	<u>4,946,267</u>	<u>-</u>	<u>64,176,160</u>
Less accumulated depreciation for:				
Buildings and utility infrastructure	12,359,902	489,266	-	12,849,168
Machinery, furniture and equipment	13,359,675	846,761	-	14,206,436
Infrastructure	16,091,299	552,190	-	16,643,489
Total accumulated depreciation	<u>41,810,876</u>	<u>1,888,217</u>	<u>-</u>	<u>43,699,093</u>
Other capital assets, net	<u>17,419,017</u>	<u>3,058,050</u>	<u>-</u>	<u>20,477,067</u>
Business-type activities capital assets, net	<u>\$ 19,909,672</u>	<u>\$ 7,964,046</u>	<u>\$ 3,270,378</u>	<u>\$ 24,603,340</u>

Depreciation:

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- Buildings 25-50 years

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

- Improvements other than buildings 20-50 years
- Utility property and improvements 15-50 years
- Infrastructure 15-50 years
- Machinery, furniture, and equipment 3–10 years

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Governmental Activities:

General Government	\$	256,938
Public Safety		143,469
Streets		894,815
Culture and Recreation		312,175
Economic Development		150
Total	\$	<u>1,607,547</u>

Business-Type Activities:

Airport	\$	290,819
Electric		535,098
Water		389,542
Wastewater		424,810
Sanitation		247,948
Total	\$	<u>1,888,217</u>

Capital assets of the component units were:

MIDA

	Balance at August 1, 2019	Additions	Deductions	Balance at July 31, 2020
<i>MIDA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 103,517	\$ -	\$ 946	\$ 102,571
Total capital assets not being depreciated	<u>103,517</u>	<u>-</u>	<u>946</u>	<u>102,571</u>
Other capital assets:				
Buildings and utility infrastructure	1,036,353	-	-	1,036,353
Less accumulated depreciation for:				
Buildings and utility infrastructure	289,993	20,728	-	310,721
Other capital assets, net	<u>746,360</u>	<u>(20,728)</u>	<u>-</u>	<u>725,632</u>
MIDA capital assets, net	<u>\$ 849,877</u>	<u>\$ (20,728)</u>	<u>\$ 946</u>	<u>\$ 828,203</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

MDRA

	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
<i>MDRA - Discreetly Presented Component unit</i>				
Other capital assets:				
Buildings	6,500	-	-	6,500
Machinery, furniture and equipment	18,756	-	-	18,756
Total other capital assets at historical cost	<u>25,256</u>	<u>-</u>	<u>-</u>	<u>25,256</u>
Less accumulated depreciation for:				
Buildings	4,550	-	-	4,550
Machinery, furniture and equipment	13,132	2,525	-	15,657
Total accumulated depreciation	<u>17,682</u>	<u>2,525</u>	<u>-</u>	<u>20,207</u>
Other capital assets, net	7,574	(2,525)	-	5,049
MDRA capital assets, net	<u>\$ 7,574</u>	<u>\$ (2,525)</u>	<u>\$ -</u>	<u>\$ 5,049</u>

MIPFA

	Restated Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
<i>MIPFA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 248,221	\$ -	\$ -	\$ 248,221
Total capital assets not being depreciated	<u>248,221</u>	<u>-</u>	<u>-</u>	<u>248,221</u>
Other capital assets:				
Buildings	570,924	-	-	570,924
Machinery, furniture and equipment	185,585	-	-	185,585
Total other capital assets at historical cost	<u>756,509</u>	<u>-</u>	<u>-</u>	<u>756,509</u>
Less accumulated depreciation for:				
Buildings	334,268	19,680	-	353,948
Machinery, furniture and equipment	86,371	9,032	-	95,403
Total accumulated depreciation	<u>420,639</u>	<u>28,712</u>	<u>-</u>	<u>449,351</u>
Other capital assets, net	335,870	(28,712)	-	307,158
MIPFA capital assets, net	<u>\$ 584,091</u>	<u>\$ (28,712)</u>	<u>\$ -</u>	<u>\$ 555,379</u>

MCFA

	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
<i>MCFA - Discreetly Presented Component unit</i>				
Other capital assets:				
Buildings	8,851,209	-	-	8,851,209
Less accumulated depreciation for:				
Buildings	862,445	251,697	-	1,114,142
Other capital assets, net	7,988,764	(251,697)	-	7,737,067
MCFA capital assets, net	<u>\$ 7,988,764</u>	<u>\$ (251,697)</u>	<u>\$ -</u>	<u>\$ 7,737,067</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

7. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

The City's policy is to eliminate interfund receivable and payables between funds in the Statement of Net Position to avoid the grossing up of balances. Only the residual balances due between governmental and business-type activities are reported as internal balances and then offset in the total column.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
General Fund	* Airport Fund	1,313	Payroll reimbursement
General Fund	* MSUA	86,495	Payroll reimbursement
Street and Alley	Capital Improvement Fund	38,404	Expense reimbursement
Capital Improvement Fund	General Fund	6,657	Reclassification
Street and Alley	Travel center	29,220	Posting correction
MSUA	* Airport Fund	535	Expense reimbursement
Airport Fund	* General Fund	30,128	Posting correction
Workers Compensation Fund	Health Insurance Fund	208,585	deposit to the wrong fund
Total		<u>\$ 401,337</u>	

* Denotes major fund.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Net Internal Balances</u>
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 132,869	\$ (104,409)	\$ 28,460
Proprietary Funds	59,883	(88,343)	(28,460)
Internal Service Funds	208,585	(208,585)	-
Total	<u>\$ 401,337</u>	<u>\$ (401,337)</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position:			
Net Internal Balances	\$ (28,460)		
Internal Service Fund Activity reported in Business-type Activities	989,447		
Net Internal Balance	<u>\$ 960,987</u>		

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2020 were as follows:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Interfund Transfer</u>
* General Fund	* MSUA	\$ 8,037,978	Operating subsidy/pledged sales tax
* General Fund	* MSUA	362,256	Operating subsidy
* General Fund	* Street Project	1,167,851	Pledged sales tax
* Street Project	* MSUA	1,173,711	Pledged sales tax
Street and alley	* MSUA	143,500 A	Operating subsidy
Pool Improvement Fund	* General Fund	163,479 A	Budgeted
Capital Improvement Fund	* General Fund	40,900 A	Operating subsidy
Capital Improvement Fund	* MSUA	707,366 A	Capital project
* General Fund	Street and Alley	29,788 B	Operating subsidy
Grant Fund	* MSUA	931,870 A	Budgeted
Grant Fund	Capital Improvement Fund	47,105 A.B	Budgeted
Grant Fund	Cemetery Fund	17,254 A.B	Grant matching
Grant Fund	Workers Compensation Fund	124,403 A	Operating subsidy
Grant Fund	RFC 07-09 Grant Fund	1,095 A.B	Fund closure
Airport	Workers Compensation Fund	53,050	
Airport	Capital Improvement Fund	100,000 B	Budgeted
Grant Fund	* General Fund	134,229 A	Budgeted
MSUA	* General Fund	5,390,082	Operating subsidy/pledged sales tax
		<u>\$ 18,625,917</u>	

* Denotes Major Fund	Subtotal non-major Governmental Funds transfers in	\$ 2,311,201 A
	Subtotal non-major Governmental Funds transfers out	\$ 195,242 B

Reconciliation to fund financial statements:	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>	<u>Net Transfers</u>
	Governmental Funds	\$ (7,091,783)	\$ 11,914,934
Enterprise Funds	(11,356,681)	6,710,983	(4,645,698)
Internal Service Funds	(177,453)	-	(177,453)
Totals	<u>\$ (18,625,917)</u>	<u>\$ 18,625,917</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:		
Net Transfers		\$ (4,645,698)
Transfer of assets from Governmental Activities to Business Type Activities		1,458,957
Transfers - Internal Activity		<u>\$ (3,186,741)</u>

8. Long-Term Debt

The City's long term debt consists of revenue bonds and notes, capital lease obligations, accrued compensated absences and long-term deposits subject to refund.

For the year ended June 30, 2020, the City's long-term debt balances changed as follows:

Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue Bond Premium	\$ 206,143	\$ -	\$ 20,278	\$ 185,865	\$ -
Revenue Bonds	18,375,000	-	450,000	17,925,000	455,000
Capital Lease Obligations	506,167	-	196,999	309,168	282,806
Accrued Compensated Absences	525,345	14,389	-	539,734	53,974
Total Governmental Activities	<u>\$ 19,612,655</u>	<u>\$ 14,389</u>	<u>\$ 667,277</u>	18,959,767	791,780
Plus: Total OPEB liability				1,677,323	-
Net pension liability				5,822,044	-
				<u>\$ 26,459,134</u>	<u>\$ 791,780</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 791,780	
Due in more than one year				25,667,354	
				<u>\$ 26,459,134</u>	

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Notes Payable - Direct borrowings	\$ 3,483,365	\$ 1,911,350	\$ 2,256,594	\$ 3,138,121	\$ 749,023
Unamortized Bond Premium (Discount)	(3,567)	129,341	29,567	96,207	-
Revenue Bonds	8,615,000	-	615,000	8,000,000	635,000
Capital Lease Obligations	583,283	285,663	350,491	518,455	329,194
Accrued Compensated Absences	126,350	38,980	-	165,330	16,428
	<u>\$ 12,804,431</u>	<u>\$ 2,365,334</u>	<u>\$ 3,251,652</u>	11,918,113	1,729,645
Plus: Total OPEB liability				1,092,568	-
Net pension liability				1,763,490	-
Refundable deposits				380,792	38,195
				<u>\$ 15,154,963</u>	<u>\$ 1,767,840</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 1,767,840	
Due in more than one year				13,387,123	
				<u>\$ 15,154,963</u>	

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

Revenue Bond Payable –

2016 Sales Tax Revenue Bond for \$19,375,000 with interest from .45% to 2.375%

Debt service payments are due semi-annually through December 2046. Bonds are secured with net revenues of the Special Utility Authority and a pledged sales tax.

\$17,925,000

Current portion	\$455,000
Non-current portion	<u>17,470,000</u>
	<u>\$17,925,000</u>

Capital Lease Obligations:

\$90,154 capital lease obligation for the purchase of a crawler/dozer, matures September 2021 with a stated interest rate of 3.81%.	\$13,162
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\$993,730 capital lease obligation for the purchase of fire trucks, matures July 2020 with a stated interest rate of 5.00%	233,027
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\$102,111 capital lease obligation for the purchase of police cars, matures September 2020 with a stated interest rate of 2.66%.	8,224
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\$149,481 capital lease obligation for the purchase of fire rescue truck, matures March 21, 2022 with a stated interest rate of 3.01%.	<u>54,755</u>
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Total capital lease obligations	<u>\$309,168</u>
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Current portion	\$282,806
Non-current portion	<u>26,362</u>
	<u>\$309,168</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Business-type activities long-term debt payable from net revenues generated by and taxes pledged to the City's business-type activities include the following:

Capital Lease Obligation:

\$44,900 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%	\$2,049
\$285,663 capital lease obligation for the purchase of a digger derrick truck, matures July 2021 with a stated interest rate of 1.95%	208,870
\$69,950 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%.	3,192
\$95,994 capital lease obligation for the purchase of a truck for water, matures August 2022 with a stated interest rate of 2.99%.	44,837
\$362,837 capital lease obligation for the purchase of a refuse truck, matures June 2021 with a stated interest rate of 3.62%.	125,092
\$86,408 capital lease obligation for the purchase of a tractor, matures July 2021 with a stated interest rate of 1.95%.	22,398
\$197,131 capital lease obligation for the purchase of a roll-off truck, matures February 2022 with a stated interest rate of 3.98%.	<u>112,017</u>
Total Capital Leases	<u>\$518,455</u>
Current portion	\$329,194
Non-current portion	<u>189,261</u>
	<u>\$518,455</u>

Revenue Bond Payable –

2011 SUA Revenue Bond for \$1,915,000 with interest from 1.45% to 2.90% Debt service payments are due semi-annually through December 2021. Bonds are secured with net revenues of the Special Utility Authority.	\$415,000
2018 Utility System Revenue Bond for \$8,000,000 with interest from 3.5% to 4.0% Debt service payments are due semi-annually through August 2033. Bonds are secured with net revenues of the Special Utility Authority and a pledged sales tax.	<u>\$7,585,000</u>
Total Capital Leases	<u>\$8,000,000</u>
Current portion	\$635,000
Non-current portion	<u>7,365,000</u>
	<u>\$8,000,000</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Notes Payable –

Oklahoma Water Resources Board – Direct Borrowings:

2003A Note payable to Oklahoma Water Resources Board, dated December 31, 2003, original amount \$1,760,000 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due December 31, 2023 secured by and payable from utility revenues for sanitation, water, and sewer. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	\$308,000
2004A Note payable to Oklahoma Water Resources Board, dated June 25, 2004, original amount \$1,595,538 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due June 25, 2024 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	319,108
2004C Note payable to Oklahoma Water Resources Board, dated October 26, 2004, original amount \$1,620,000 with interest rate of 3.0% and 0.5% annual administrative fee due in semi-annual installments, with final payment due October 26, 2024 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvement related to water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	501,047
2005 Note payable to Oklahoma Water Resources Board, dated September 15, 2005, original amount \$563,000 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due September 15, 2025 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	168,616
2019 Note payable to Oklahoma Water Resources Board, dated July 15, 2019, original amount \$1,830,000 with interest rate of 4.2% due in semi-annual installments, secured by and payable from utility revenues for water, sewer, and electric system, with final payment due September 15, 2023. This note is a current refunding of the outstanding portion of the Series 2003B note and the Series 2004B note, proceeds used for capital improvements related to water and sewer systems. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	1,760,000

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

CWSRF Note payable to Oklahoma Water Resources Board, dated September 1, 2019, original amount \$4,450,000 with interest rate of 1.24% and 0.5% annual administrative fee due in semi-annual installments, secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system, with final payment due March 15, 2041. Proceeds used for capital improvements related to improvements to the wastewater system. The MUSA has drawn \$49,000 of the note as of June 30. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.

49,000

DWSRF Note payable to Oklahoma Water Resources Board, dated May 1, 2020, original amount \$2,785,000 with interest rate of 1.51% and 0.5% administrative fee due in semi-annual installments, secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system, with final payment due March 15, 2042. Proceeds used for improvements for the drinking water treatment system drinking water project. The MUSA has drawn \$32,350 of the note as of June 30. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.

32,350

Total Notes Payable – Oklahoma Water Resources Board

\$3,138,121

Current portion
Non-current portion

\$749,023
2,389,098
\$3,138,121

Long-term debt service requirements to maturity are as follows:

Governmental-Type Activities				
Year Ending June 30,	Revenue Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest
2021	455,000	537,388	282,806	2,524
2022	465,000	528,188	26,362	469
2023	475,000	518,788	-	-
2024	485,000	509,188	-	-
2025	495,000	499,388	-	-
2025-2029	2,630,000	2,337,881	-	-
2030-2034	-	2,188,250	-	-
2035-2039	4,435,000	1,567,350	-	-
2040-2044	3,925,000	889,125	-	-
2045-2047	4,560,000	213,750	-	-
Total	<u>\$ 17,925,000</u>	<u>\$ 9,789,296</u>	<u>\$ 309,168</u>	<u>\$ 2,993</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Business-Type Activities						
Year Ending June 30,	Notes Payable-Direct Borrowings		Revenue Bonds Payable		Capital Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	749,023	224,023	635,000	265,383	329,194	12,200
2022	805,477	171,673	660,000	242,370	167,797	3,171
2023	964,952	148,582	465,000	221,325	21,464	75
2024	1,229,897	124,340	485,000	202,725	-	-
2025	1,021,086	102,480	500,000	188,175	-	-
2026-2030	1,577,336	396,231	2,730,000	706,875	-	-
2031-2035	1,626,250	266,293	2,525,000	224,700	-	-
2036-2040	1,726,249	127,388	-	-	-	-
2041-2042	591,500	12,054	-	-	-	-
Amount to be drawn	(7,153,649)	-	-	-	-	-
Total	<u>\$ 3,138,121</u>	<u>\$ 1,573,064</u>	<u>\$ 8,000,000</u>	<u>\$ 2,051,553</u>	<u>\$ 518,455</u>	<u>\$ 15,446</u>

MDRA Debt:

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Component Unit:					
Accrued Compensated Absences	156	-	156	-	-
Total MDRA	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ -</u>

MIDA Debt (direct borrowings):

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$3,300 with interest at 5.00% maturity date of February 1, 2020 \$181,267

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$1,918, with interest of 1.25%, maturity date of February 1, 2020 116,935

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc. payable in monthly Installments of \$607, with interest of 4.00%, maturity date of February 1, 2020 34,413

Total debt outstanding – MIDA \$332,615

<u>Type of Debt</u>	<u>Balance August 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance July 31, 2020</u>	<u>Due Within One Year</u>
Component Unit:					
MIDA Note payable (direct borrowings)	<u>\$ 389,487</u>	<u>\$ -</u>	<u>\$ 56,872</u>	<u>\$ 332,615</u>	<u>\$ 332,615</u>

Component Unit - MIDA		
Year Ending June 30,	Notes Payable - direct borrowing	
	Principal	Interest
2021	<u>332,615</u>	<u>8,936</u>
Total	<u>\$ 332,615</u>	<u>\$ 8,936</u>

Pledge of Future Revenues

Utility Net Revenues Pledge - The City and Special Utility Authority have pledged net utility revenues of the water, electric and wastewater systems to repay the OWRB Series 2003 A, 2004 A, 2004C, 2005, and 2019 promissory notes payable. Proceeds from the notes provided financing for capital assets. The notes are payable from net utility revenues and are payable through 2025. The total principal and interest payable for the remainder of the life of these notes is \$3,222,028. The 2019 note refinanced the 2003B and 2004 B notes. Net utility revenues received in the current year were \$7,996,033. Debt service payments of \$2,346,758 for the current fiscal year were 29.3% of pledged net utility revenues.

Pledged Sales Tax – The City has pledged 3.65 cents (or 100%) of future sales tax revenues to repay \$1,915,000 of the Series 2011 Revenue Bonds, \$19,375,000 of the Series 2016 Sales Tax Revenue Refunding Bonds, and 8,000,000 of the Series 2018 Revenue Bonds. Three cents of the sales tax was voted by the citizens for general operations and .65 cent is legally restricted by a vote of the citizens for street and stadium purposes. The 2011 Revenue bonds are for water improvements. The 2016 bonds refinanced the 2010 bonds that were originally for street purposes and the 2013 bond anticipation note for the stadium construction. The .65 sales tax is used to pay the debt service on the 2016 bonds and the three cents is sent back to the general fund if not needed for debt service. The bonds are payable from pledged sales tax and net utility revenues and are payable through 2021, 2046 and 2033, respectively. The total principal and interest payable for the remainder of the life of these bonds is \$37,765,849. Pledged sales taxes received in the current year were \$5,390,082. Net revenues and sales tax pledged during the year was \$13,386,115. Debt service payments of \$1,895,288 for the current fiscal year were 14.2% of the pledged revenue.

9. Net Position and Fund Balances

Government-wide net position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the City’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

At June 30, 2020 net position restricted by enabling legislation totaled \$268,385.

Fund Balance:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision (city manager) when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City’s policy for the use of fund balance amounts require that committed amounts would be reduced first followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	Major Capital Project			Total
	General Fund	Fund Street and Stadium Project Fund	Other Governmental Fund	
Fund Balance:				
Restricted For:				
Police operations - grants	\$ -	\$ -	\$ 28,023	\$ 28,023
General obligation debt service	-	312,902	158,823	471,725
Capital improvements	-	-	393,528	393,528
Street improvements	-	471,883	-	471,883
Culture and rec programs	23,213	-	340,177	363,390
Economic development	-	-	91,716	91,716
Police - drug programs	-	-	13,673	13,673
Sub-total restricted	<u>23,213</u>	<u>784,785</u>	<u>1,025,940</u>	<u>1,833,938</u>
Committed for:				
Street operations	-	-	999,284	999,284
Assigned for:				
Capital improvements	-	-	2,687,407	2,687,407
Demolition	192,644	-	-	192,644
Culture and rec programs	13,772	-	-	13,772
Supplement next year's budget	919,745	-	-	919,745
Sub-total assigned	<u>1,126,161</u>	<u>-</u>	<u>2,687,407</u>	<u>3,813,568</u>
Unassigned:	689,498	-	649,095	1,338,593
TOTAL FUND BALANCE	<u>\$ 1,838,872</u>	<u>\$ 784,785</u>	<u>\$ 5,361,726</u>	<u>\$ 7,985,383</u>

Beginning net positions was restated due to an error in the calculation of construction in progress. Restatements were as follows:

Statement of Activities:	<u>Governmental Activities:</u> <u>Government-wide</u>
Beginning net position as previously reported	\$8,112,890
Adjustment for understatement of construction in progress	759,215
Beginning net position, restated	<u><u>\$8,872,105</u></u>

11. Revenues

Program Revenues:

Program revenues within the statement of activities that are derived directly from each activity or from parties outside of the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Court, Civil Defense, fire run charges, officer's training charges for services, police sentinel charges for services, restricted operating grants, 911 revenue, court and restricted capital grants
- Streets – Commercial vehicle and gasoline excise tax shared by the State
- Culture and recreation – pool fees, library fees, fishing permits, softball fees, recreation fees operating and capital grants
- General Government – license and permits, fines and forfeitures, cemetery revenue, impact fees, and operating grants
- Economic Development – rents, operating grants

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Sales Tax Revenue:

Sales tax revenue represents a 3.65 cents tax on each dollar of taxable sales of which is collected by the Oklahoma Tax Commission and remitted to the City. The sales tax is deposited 3 cents in the general fund and .65 cents in the Street and Stadium Bond Project Fund. The entire sales tax initially reported in the General Fund is then transferred to the MSUA per the bond indenture pledge then transferred back to the appropriate funds. The .65 cents is legally restricted for street and stadium purposes by a vote of the citizens.

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. The City's property taxes are billed and collected by the County and remitted to the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2020, the City did not assess a property tax.

12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability – Covered through purchased insurance
- Physical Property – Covered through purchased insurance with a \$35,000 deductible.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

- Workers' Compensation – Workers' compensation is covered through self-insurance using a third party processor to process claims. The City also has a stop-loss policy which covers individual claims in excess \$400,000 for electric, police and firefighters and \$350,000 for all other classes of employees per occurrence.
- Employee's Group Medical –Covered through self-insurance using a third party processor to process medical claims. The City uses the third party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$70,000.
- Unemployment – the City is self-insured.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past two fiscal years.

	<u>Worker's Compensation</u>	<u>Health Care</u>	<u>Unemployment Fund</u>	<u>Total</u>
Claim liability, June 30, 2018	\$ 2,085,719	\$ 292,264	\$ -	\$ 2,377,983
Claims and changes in estimates	729,866	1,263,145	12,680	2,005,691
Claims payments	<u>(1,598,529)</u>	<u>(1,461,842)</u>	<u>(12,680)</u>	<u>(3,073,051)</u>
Claim liability, June 30, 2019	1,217,056	93,567	-	1,310,623
Claims and changes in estimates	(33,382)	1,071,708	20,676	1,059,002
Claims payments	<u>(680,431)</u>	<u>(1,057,578)</u>	<u>(6,790)</u>	<u>(1,744,799)</u>
Claim liability, June 30, 2020	<u>\$ 503,243</u>	<u>\$ 107,697</u>	<u>\$ 13,886</u>	<u>\$ 624,826</u>

13. Retirement Plan Participation

The following is a summary of the deferred outflows, deferred inflows and net pension liability by the various plans as of June 30, 2020:

	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
Deferred Outflows:			
Police Pension	\$ 491,310	\$ -	\$ 491,310
Fire Pension	927,097	-	927,097
OkMRF	541,227	538,661	1,079,888
Total	<u>\$ 1,959,634</u>	<u>\$ 538,661</u>	<u>\$ 2,498,295</u>
Deferred Inflows:			
Police Pension	\$ 140,547	\$ -	\$ 140,547
Fire Pension	729,699	-	729,699
OkMRF	405,800	493,735	899,535
Total	<u>\$ 1,276,046</u>	<u>\$ 493,735</u>	<u>\$ 1,769,781</u>
Net Pension Liability:			
Fire Pension	4,171,963	-	4,171,963
OkMRF	1,650,081	1,763,490	3,413,571
Total	<u>\$ 5,822,044</u>	<u>\$ 1,763,490</u>	<u>\$ 7,585,534</u>
Net Pension Asset:			
Police Pension	\$ 25,191	\$ -	\$ 25,191
Total	<u>\$ 25,191</u>	<u>\$ -</u>	<u>\$ 25,191</u>

Summary of Significant Accounting Policies

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OFPRS), Oklahoma Police Pension & Retirement System (OPPRS) and Oklahoma Municipal Retirement Fund (OkMRF) and additions to/deductions from OFPRS, OPPRS and OkMRF’s fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OkMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows and OPEB expense for the single employer other postemployment benefit plan the measurement has been prepared in accordance with GASB Statement No. 75.

Oklahoma Municipal Retirement Plan (OkMRF) – Defined Benefit Plan

A. Plan Description

The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

B. Eligibility Factors and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/19 OkMRF Plan</u>
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	7 years of credited service beginning September 1, 2019
c. Eligibility for Distribution	-Normal retirement at age 65 with 10 years of service -Early retirement at age 55 with 10 years of service -Disability retirement upon disability with 10 years of service -Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

- | | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| e. Benefit Determination Methods: | |
| Normal Retirement | -1.875% of final average salary multiplied by credited years of service |
| Early Retirement | -Actuarially reduced benefit based upon age, final average salary, and years of service at termination |
| Disability Retirement | -Same as normal retirement |
| Death Benefit | -50% of employees accrued benefit, but terminates upon spouse re-marriage |
| Prior to 10 Years Service | -No benefits |
| f. Benefit Authorization | -Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102 |
| g. Form of Benefit Payments | Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent. |

C. Employees Covered by Benefit Terms

Active Employees	117
Deferred Vested Former Employees	12
Retirees or Retiree Beneficiaries	<u>84</u>
Total	<u>213</u>

Contribution Requirements

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 10.49% of covered payroll as of July 1, 2019. For the year ended June 30, 2020, the City recognized \$655,182 of employer contributions to the plan which is in excess of the actuarially determined amount by \$136,866 based on covered payroll of \$4,941,046. Employees contribute 3.75% to the plan in accordance with the plan provisions adopted by the City Council. Employee contributions for fiscal 2020 were \$185,262.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2019
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%
c. Projected Salary Increase	Varies between 7.42% and 4% based on age
d. Post Retirement cost-of-Living Increase	None
e. Inflation Rate	3%

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

f. Mortality Table	UP 1994, with projected mortality improvement										
g. Percent of married employees	100%										
h. Spouse age difference	3 years (female spouses younger)										
i. Turnover	<p>Select and ultimate rates Ultimate rates are age-related as shown</p> <p>Additional rates per thousand are added during the first 5 years:</p> <table border="0" style="margin-left: 40px;"> <tr><td>Year 1:</td><td style="text-align: right;">225</td></tr> <tr><td>Year 2:</td><td style="text-align: right;">140</td></tr> <tr><td>Year 3:</td><td style="text-align: right;">100</td></tr> <tr><td>Year 4:</td><td style="text-align: right;">70</td></tr> <tr><td>Year 5:</td><td style="text-align: right;">40</td></tr> </table>	Year 1:	225	Year 2:	140	Year 3:	100	Year 4:	70	Year 5:	40
Year 1:	225										
Year 2:	140										
Year 3:	100										
Year 4:	70										
Year 5:	40										
j. Date of last experience study	September 2012 for fiscal years 2007 thru 2011										

D. Discount Rate –

The discount rate used to value benefits was the long-term expected rate of return on plan investments of 7.50% since the plan’s net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2019 are summarized in the following table:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	<u><u>100%</u></u>		
Average Real Return			4.75%
Inflation			<u>2.75%</u>
Long-term expected return			<u><u>7.50%</u></u>

E. Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2019 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2019 and the City's report ending date of June 30, 2020, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances Beginning of Year	<u>\$ 14,410,533</u>	<u>\$ 10,816,305</u>	<u>\$ 3,594,228</u>
Changes for the Year:			
Service cost	346,075	-	346,075
Interest expense	1,044,256	-	1,044,256
Experience losses (gains) - (amortized over avg remain svc period of actives & inactive)	(272,005)	-	(272,005)
Changes of assumptions	208,546	-	208,546
Contributions--City	-	646,533	(646,533)
Contributions--members	-	182,834	(182,834)
Net investment income	-	735,845	(735,845)
Benefits paid	(992,188)	(992,188)	-
Plan administrative expenses	-	(22,670)	22,670
Benefit changes due to plan amendments	35,013	-	35,013
Change in deferred contributions made subsequent to the measurement date	-	-	-
Net Changes	<u>369,697</u>	<u>550,354</u>	<u>(180,657)</u>
Balances End of Year	<u>\$ 14,780,230</u>	<u>\$ 11,366,659</u>	<u>\$ 3,413,571</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 5,199,742	\$ 3,413,571	\$ 1,944,689

The City reported \$398,443 in pension expense for the year ended June 30, 2020. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,395	\$ 759,158
Net difference between projected and actual earnings	15,229	-
Changes in assumptions	269,889	-
Changes in proportion and differences between City contributions and proportionate share of contributions	115,128	115,125
City contributions during measurement date	17,065	25,252
City contributions subsequent to the measurement date	655,182	-
Total	\$ 1,079,888	\$ 899,535

The \$655,182 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	(156,724)
2022		(245,267)
2023		(76,368)
2024		3,530
2025		-
	\$	(474,829)

Oklahoma Firefighter's Pension – Statewide Cost Sharing Plan

Plan description - The City of Miami, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs

Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- Hired Prior to November 1, 2013
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

- Hired After November 1, 2013
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in the line of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$168,865. The State of Oklahoma also made on-

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

behalf contributions to FPRS in the amount of \$414,829 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$401,535. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$4,171,963 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was .3948%.

For the year ended June 30, 2020, the City recognized pension expense of \$620,054. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 698,594	\$ 84,859
Changes of assumptions	-	107,175
Net difference between projected and actual earnings on pension plan investments	-	302,002
Changes in proportion	59,638	229,872
Contributions during the measurement date	-	5,791
Contributions subsequent to the measurement date	168,865	-
Total	\$ 927,097	\$ 729,699

In the year ending June 30, 2021, \$168,865 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	81,590
2022		(55,397)
2023		44,929
2024		(11,829)
2025		(30,760)
Total	\$	28,533

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%
 Salary increases: 2.75% to 10.5% average, including inflation
 Investment rate of return: 7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.90%
Domestic equity	47%	7.09%
International equity	15%	9.19%
Real estate	10%	7.99%
Other assets	8%	5.57%

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 5,387,179	\$ 4,171,963	\$ 2,837,539

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at www.ok.gov/fprs.

Oklahoma Police Pension – Statewide Cost Sharing Plan

Plan description - The City of Miami, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$167,131. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$154,677 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$156,097. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported an asset of \$25,191 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension asset was based on the City's contributions

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was .3946%.

For the year ended June 30, 2020, the City recognized pension expense of \$290,663. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,118	\$ 118,937
Changes of assumptions	64,322	-
Net difference between projected and actual earnings on pension plan investments	230,196	-
Changes in proportion	13,262	14,063
Contributions during measurement date	1,281	7,547
Contributions subsequent to the measurement date	167,131	-
Total	\$ 491,310	\$ 140,547

In the year ending June 30, 2021, \$167,131 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	102,342
2022		(34,672)
2023		35,666
2024		76,729
2025		3,567
Total	\$	183,632

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%

Salary increases: 3.5% to 12% average, including inflation

Investment rate of return: 7.5% net of pension plan investment expense

Cost-of-living adjustments: Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

Mortality rates:

Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real estate	7.99%
Private Equity	10.20%
Commodities	3.50%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability(Asset) to Changes in the Discount Rate- The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,073,120	\$ (25,191)	\$ (1,122,973)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

City of Miami 457 Deferred Compensation Plan (DC Plan)

Plan Description – The City of Miami makes available to all full-time employees two Section 457 deferred compensation plans. The DC Plan was created in accordance with Section 457 of the *Internal Revenue Code*, and permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to the employee until retirement, termination, death, or unforeseeable emergency. Employees may choose investments offered by International City/County Management Association (ICMA) or the DC Plan. Separate audited financial statements are not available.

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2020, employees contributed \$126,190 and the employer contributed \$0 to the DC Plan.

ICMA Retirement Deferred Compensation Plan

In addition to the above plans, the City of Miami offers a retirement plan through ICMA which is funded 18% by the employer and zero percent by employee contributions. There were no contributions to the plan for the fiscal year ended June 30, 2020. Separate audited financial statements are not available.

14. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communication between the employer and the plan member and historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Miami Retirement Plan. Retirees may continue coverage with the City by paying the carrier premium rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City.

Benefits provided - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City fully self-insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health and prescription drug benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City and are at least 55 years old at the time of termination.

The amount of benefit payments during fiscal year June 30, 2020 were \$99,477.

Employees Covered by Benefit Terms

Active Employees	172
Inactive or beneficiaries receiving benefits	<u>8</u>
Total	<u>180</u>

Total OPEB Liability – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2019 which is also the measurement date.

Actuarial Assumptions- The total OPEB liability in the June 30, 2019 valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 3.87% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates:

2019	6.02%
2020	5.99%
2025	5.86%
2030	5.99%
2035	5.87%
2040	5.33%
2045	5.15%
2050	5.03%
2060	4.87%

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Changes in Total OPEB Liability -

	Total OPEB Liability
Balances at Beginning of Year	<u>\$ 3,118,684</u>
Changes for the Year:	
Service cost	180,562
Interest expense	120,692
Change in assumptions	(162,177)
Difference between expected and actual experience	(388,393)
Benefits paid	<u>(99,477)</u>
Net Changes	<u>(348,793)</u>
 Balances End of Year	 <u><u>\$ 2,769,891</u></u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the City recognized OPEB expense of \$142,994. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 351,477
Changes of assumptions	-	592,261
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	422,400	421,363
City Contributions during measurement date	11,906	11,937
Benefits paid subsequent to the measurement date	91,824	-
Total	<u>\$ 526,130</u>	<u>\$ 1,377,038</u>

In the year ending June 30, 2021, \$91,824 reported as deferred outflows of resources related to pensions resulting from City benefits paid subsequent to the measurement date will be recognized as a reduction of or an addition to the total OPEB liability in the subsequent year. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

	2021	\$	(158,261)
	2022	\$	(158,261)
	2023	\$	(158,261)
	2024	\$	(158,261)
	2025	\$	(144,656)
	Thereafter		<u>(165,032)</u>
		\$	<u>(942,732)</u>

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total OPEB liability, as well as what the City's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1- percentage-point higher (4.50 percent) than the current discount rate:

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

	Current Discount Rate		
	1% Decrease (2.50%)	(3.50%)	1% Increase (4.50%)
Employers' total OPEB liability	\$ 3,392,110	\$ 2,769,891	\$ 2,288,536

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.02 percent decreasing to 3.87 percent) or 1- percentage point higher (7.02 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	Current Discount Rate		
	1% Decrease (5.02% decreasing to 3.87%)	(6.02% decreasing to 4.87%)	1% Increase (7.02% decreasing to 5.87%)
Employers' total OPEB liability	\$ 2,302,668	\$ 2,769,891	\$ 3,357,640

15. Commitments and Contingencies

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Grant Programs

The City of Miami participates in various federal or state grant/loan programs from year to year. In 2020, the City's involvement in federal and state award programs was relatively immaterial. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Pensacola Dam Licensing

The City has experienced flooding at various degrees for many years which the City asserts has been aggravated by operational changes at a nearby lake. The City contends that the instances of flooding have increased because the quasi-governmental agency that operates the Pensacola Dam that forms Grand Lake (and its hydroelectric operations), the Grand River Dam Authority (GRDA), has been granted permission to raise lake levels by the Federal Energy Regulatory Commission (FERC), which licenses GRDA to operate the dam.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

FERC has notified the City that the appropriate time to address these problems is at the time the operational license for the dam is renewed in 2022. That process started in 2018 and could potentially take over five years to complete. The City has engaged legal counsel to represent its interest during the relicensing process and to require GRDA to modify its lake operations to reduce instances of flooding and to purchase flood easements.

New leadership as of 7/1/2020, City manager and mayor, may change our direction on this important matter, but is yet to be determined.

Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2020, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2020

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budget basis)	Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 1,314,640	\$ 1,314,640	\$ 1,711,861	\$ 397,221
Resources (Inflows):				
Taxes and assessments	6,793,000	6,793,000	6,968,315	175,315
Fees, licenses and permits	41,800	41,200	56,956	15,756
Charges for services	177,250	179,330	167,864	(11,466)
Fines and forfeitures	228,000	228,000	215,340	(12,660)
Interest earned	13,500	13,500	15,470	1,970
Miscellaneous	-	1,430,160	277,822	(1,152,338)
Intergovernmental	84,000	86,600	66,006	(20,594)
Total Resources (Inflows)	<u>7,337,550</u>	<u>8,771,790</u>	<u>7,767,773</u>	<u>(1,004,017)</u>
Amounts available for appropriation	<u>8,652,190</u>	<u>10,086,430</u>	<u>9,479,634</u>	<u>(606,796)</u>
Charges to Appropriations (Outflows):				
General Government				
Municipal Court	135,992	147,522	142,207	5,315
General Government	1,271,273	1,291,010	1,074,948	216,062
Human Resources	283,377	284,622	226,458	58,164
Legal	127,480	128,505	98,683	29,822
Public Safety				
Police	2,267,961	2,256,967	2,191,281	65,686
Fire	2,062,167	2,049,950	1,979,965	69,985
Emergency Management	48,761	84,103	57,560	26,543
Police Communications	423,704	438,332	394,234	44,098
Code Enforcement	117,658	118,558	113,333	5,225
Risk Management	92,417	92,892	86,717	6,175
Public Works and Streets				
Streets	731,930	785,905	749,193	36,712
Cemetery	337,639	341,064	314,844	26,220
Facilities	270,356	276,812	256,908	19,904
Animal Control	205,987	207,086	184,885	22,201
Culture and Recreation				
Parks	657,032	661,224	578,586	82,638
Swimming Pool	200,397	200,397	134,494	65,903
Library	543,580	548,541	510,395	38,146
Total Charges to Appropriations	<u>9,777,711</u>	<u>9,913,490</u>	<u>9,094,691</u>	<u>818,799</u>
Other financing sources (uses)				
Transfers from other funds	7,947,726	7,984,914	7,010,525	(974,389)
Transfers to other funds	(6,742,830)	(6,979,658)	(5,837,158)	1,142,500
Total other financing sources (uses)	<u>1,204,896</u>	<u>1,005,256</u>	<u>1,173,367</u>	<u>168,111</u>
Ending Budgetary Fund Balance	<u>\$ 79,375</u>	<u>\$ 1,178,196</u>	<u>\$ 1,558,310</u>	<u>\$ 380,114</u>

See accompanying notes to this schedule.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Schedule Footnotes to Budgetary Comparison:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on a non-GAAP basis that report revenues on a cash basis, and expenditures in the period the invoice is received, except for payroll expenditures that are recorded when paid. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unassigned budgetary fund balance. This presentation of unassigned fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedule below:

	Fund Balance June 30, 2019	Net Change in Fund Balance	Fund Balance June 30, 2020
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$1,794,980	\$43,892	\$1,838,872
Increases (Decreases):			
Revenues:			
Receivable from other governments and entities	(700,757)	(147,672)	(848,429)
Accounts receivable	(197,470)	68,313	(129,157)
State on behalf pension payments	(590,126)	20,620	(569,506)
Combining accounts	26,738	(237,302)	(210,564)
Expenditures:			
Accrued payroll	274,515	59,267	333,782
Other expenditures	513,855	59,951	573,806
State on behalf pension payments	590,126	(20,620)	569,506
Fund Balance - Budgetary Basis	\$1,711,861	(\$153,551)	\$1,558,310

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Pension Information

Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF MIAMI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability	0.413176%	0.418954%	0.4143524%	0.4169184%	0.421250%	0.394823%
City's proportionate share of the net pension liability	\$ 4,887,039	\$ 4,446,809	\$ 5,062,191	\$ 5,243,677	\$ 4,741,794	\$ 4,171,963
City's covered-employee payroll	\$ 1,089,326	\$ 1,144,680	\$ 1,159,023	\$ 1,185,003	\$ 1,208,603	\$ 1,220,957
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	449%	388%	437%	443%	392%	342%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous six fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorially required contribution	\$ 160,255	\$ 162,264	\$ 165,905	\$ 169,204	\$ 170,934	\$ 168,865
Contributions in relation to the statutorially required contribution	<u>160,255</u>	<u>162,264</u>	<u>165,905</u>	<u>169,204</u>	<u>170,934</u>	<u>168,865</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,144,680	\$ 1,159,023	\$ 1,185,033	\$ 1,208,603	\$ 1,220,957	\$ 1,206,179
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

Only the previous six fiscal years are presented because 10-year data is not yet available.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF MIAMI PORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.4416%	0.3977%	0.4577%	0.3683%	0.4088%	0.3946%
City's proportionate share of the net pension liability (asset)	\$ (148,685)	\$ 16,217	\$ 700,954	\$ 29,715	\$ (194,728)	\$ (25,191)
City's covered-employee payroll	\$ 1,184,882	\$ 1,131,472	\$ 1,201,369	\$ 1,169,953	\$ 1,246,941	\$ 1,283,171
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.55%	1.43%	58.35%	2.54%	15.62%	1.96%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous six fiscal years are presented because 10-year data is not yet available.

SCHEDULE OF CITY CONTRIBUTIONS

**OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contribution	\$ 145,903	\$ 156,178	\$ 152,094	\$ 162,102	\$ 166,813	\$ 167,131
Contributions in relation to the statutorily required contribution	<u>145,903</u>	<u>156,178</u>	<u>152,094</u>	<u>162,102</u>	<u>166,813</u>	<u>167,131</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,131,472	\$ 1,201,369	\$ 1,169,953	\$ 1,246,941	\$ 1,283,171	\$ 1,285,623
Contributions as a percentage of covered-employee payroll	12.89%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

Only the previous six fiscal years are presented because 10-year data is not yet available.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**Required Supplementary Information
Oklahoma Municipal Retirement Fund**

Schedule of Changes in Net Pension Liability and Related Ratios

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability						
Service cost	\$ 276,403	\$ 308,701	\$ 344,545	\$ 330,866	\$ 283,926	\$ 346,075
Interest	1,034,763	1,037,326	1,073,154	1,087,717	1,061,577	1,044,256
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	102,207	(202,315)	(535,480)	(541,596)	(272,005)
Changes of assumptions	-	-	-	321,010	-	208,546
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)	(1,092,673)	(1,076,009)	(992,188)
Benefit changes due to plan amendments	-	-	-	-	-	35,013
Net change in total pension liability	<u>314,028</u>	<u>441,796</u>	<u>250,721</u>	<u>111,440</u>	<u>(272,102)</u>	<u>369,697</u>
Total pension liability - beginning	<u>13,564,650</u>	<u>13,878,678</u>	<u>14,320,474</u>	<u>14,571,195</u>	<u>14,682,635</u>	<u>14,410,533</u>
Total pension liability - ending (a)	<u>\$ 13,878,678</u>	<u>\$ 14,320,474</u>	<u>\$ 14,571,195</u>	<u>\$ 14,682,635</u>	<u>\$ 14,410,533</u>	<u>\$ 14,780,230</u>
Plan fiduciary net position						
Contributions - employer	\$ 569,542	\$ 618,748	\$ 640,172	\$ 650,799	\$ 635,453	\$ 646,533
Contributions - member	166,578	175,420	181,046	183,989	179,680	182,834
Net investment income	1,363,071	261,920	83,267	1,149,965	755,918	735,845
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)	(1,092,673)	(1,076,009)	(992,188)
Administrative expense	(20,151)	(19,533)	(18,698)	(20,154)	(21,162)	(22,670)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>1,081,902</u>	<u>30,117</u>	<u>(78,876)</u>	<u>871,926</u>	<u>473,880</u>	<u>550,354</u>
Plan fiduciary net position - beginning	<u>8,437,357</u>	<u>9,519,259</u>	<u>9,549,376</u>	<u>9,470,500</u>	<u>10,342,425</u>	<u>10,816,305</u>
Plan fiduciary net position - ending (b)	<u>\$ 9,519,259</u>	<u>\$ 9,549,376</u>	<u>\$ 9,470,500</u>	<u>\$ 10,342,426</u>	<u>\$ 10,816,305</u>	<u>\$ 11,366,659</u>
Net pension liability - ending (a) - (b)	<u>\$ 4,359,419</u>	<u>\$ 4,771,098</u>	<u>\$ 5,100,695</u>	<u>\$ 4,340,209</u>	<u>\$ 3,594,228</u>	<u>\$ 3,413,571</u>
Plan fiduciary net position as a percentage of the total pension liability	68.59%	66.68%	64.99%	70.44%	75.06%	76.90%
Covered employee payroll	\$ 4,356,987	\$ 4,742,831	\$ 4,657,554	\$ 4,735,571	\$ 4,920,014	\$ 4,576,812
Net pension liability as a percentage of covered-employee payroll	100.06%	100.60%	109.51%	91.65%	73.05%	74.58%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous six fiscal years are presented because 10-year data is not yet available.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**Required Supplementary Information
Oklahoma Municipal Retirement Fund**

Schedule of Employer Contributions

	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 616,160	\$ 643,059	\$ 592,589	\$ 590,967	\$ 512,617	\$ 518,316
Contributions in relation to the actuarially determined contribution	616,160	643,059	623,633	635,553	647,362	655,182
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,044)</u>	<u>\$ (44,586)</u>	<u>\$ (134,745)</u>	<u>\$ (136,866)</u>
Covered employee payroll	\$ 4,661,027	\$ 4,849,681	\$ 4,703,091	\$ 4,792,921	\$ 4,882,062	\$ 4,941,046
Contributions as a percentage of covered-employee payroll	13.22%	13.26%	13.26%	13.26%	13.26%	13.26%

Notes to Schedule:

1. Only the previous six fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2019
3. Actuarially determined contribution rate is calculated as of July 1, 2019
July 2019 through June 2020 contributions were at a rate of 10.49%.
4. Methods and assumptions used to determine contribution rates:
 - Actuarial cost method - Entry age normal
 - Amortization method - Level percent of payroll, closed
 - Remaining amortization period - 29 years
 - Asset valuation method - Actuarial:
 - Smoothing period - 4 years
 - Recognition method - Non-asymptotic
 - Corridor - 70% - 130%
 - Salary increases - 4.00% to 7.42% (varies by attained age)
 - Investment rate of return - 7.50%

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Required Supplementary Information – OPEB

Schedule of Changes in Total OPEB Liability and Related Ratios
Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 233,167	\$ 206,592	\$ 180,562
Interest	91,262	125,031	120,692
Changes in assumptions	(280,566)	(378,465)	(162,177)
Differences between expected and actual experience		(17,115)	(388,393)
Benefit payments	<u>(78,120)</u>	<u>(103,265)</u>	<u>(99,477)</u>
Net change in total OPEB liability	(34,257)	(167,222)	(348,793)
Balances at Beginning of Year	<u>3,320,163</u>	<u>3,285,906</u>	<u>3,118,684</u>
Balances End of Year	<u><u>\$ 3,285,906</u></u>	<u><u>\$ 3,118,684</u></u>	<u><u>\$ 2,769,891</u></u>
Covered employee payroll	\$ 7,400,000	\$ 7,310,000	\$ 7,011,000
Total OPEB liability as a percentage of covered- employee payroll	44.40%	42.66%	39.51%

Notes to Schedule:

Only three fiscal years are presented because 10-year data is not yet available

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

OTHER SUPPLEMENTARY INFORMATION

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Combining Balance Sheet – General Fund Accounts - June 30, 2020

	<u>General Fund</u>	<u>Municipal Court Account</u>	<u>Travel Information Center Account</u>	<u>MCVB & Tourism Account</u>	<u>Demolition Account</u>	<u>Total General Fund</u>
ASSETS						
Cash and cash equivalents	\$ 1,141,203	\$ 20,267	\$ (1,500)	\$ 16,328	\$ 186,171	\$ 1,362,469
Investments	1,996	-	-	-	-	1,996
Receivables:						
Accounts receivable	129,157	-	-	1,575	-	130,732
Due from other funds	87,808	-	-	-	-	87,808
Due from other accounts	10,218	-	-	-	-	10,218
Receivable from other governments	848,429	-	-	13,819	9,588	871,836
Other receivables	-	-	7,500	-	-	7,500
Total assets	<u>\$ 2,218,811</u>	<u>\$ 20,267</u>	<u>\$ 6,000</u>	<u>\$ 31,722</u>	<u>\$ 195,759</u>	<u>\$ 2,472,559</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 98,220	\$ 9,854	\$ 6,357	\$ 4,268	\$ 3,115	\$ 121,814
Wages payable	333,782	-	-	9,372	-	343,154
Due to other funds	66,005	-	-	-	-	66,005
Due to other accounts	-	10,218	-	-	-	10,218
Total liabilities	<u>498,007</u>	<u>20,072</u>	<u>6,357</u>	<u>13,640</u>	<u>3,115</u>	<u>541,191</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	92,496	-	-	-	-	92,496
Fund balances:						
Restricted	23,213	-	-	-	-	23,213
Assigned	933,517	-	-	-	192,644	1,126,161
Unassigned (deficit)	671,578	195	(357)	18,082	-	689,498
Total fund balances	<u>1,628,308</u>	<u>195</u>	<u>(357)</u>	<u>18,082</u>	<u>192,644</u>	<u>1,838,872</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,218,811</u>	<u>\$ 20,267</u>	<u>\$ 6,000</u>	<u>\$ 31,722</u>	<u>\$ 195,759</u>	<u>\$ 2,472,559</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2020

	<u>General Fund</u>	<u>Municipal Court Account</u>	<u>Travel Information Center Account</u>	<u>MCVB & Tourism Account</u>	<u>Demolition Account</u>	<u>Total General Fund</u>
REVENUES						
Taxes	\$ 5,751,242	\$ -	\$ -	\$ 157,633	\$ -	\$ 5,908,875
Intergovernmental	749,906	-	-	-	-	749,906
Charges for services	177,781	-	-	64,365	-	242,146
Fines and forfeitures	206,364	-	-	-	45,714	252,078
Licenses and permits	74,674	-	-	-	-	74,674
Investment income	15,527	-	-	-	-	15,527
Miscellaneous	328,653	-	133,520	995	-	463,168
Total revenues	<u>7,304,147</u>	<u>-</u>	<u>133,520</u>	<u>222,993</u>	<u>45,714</u>	<u>7,706,374</u>
EXPENDITURES						
Current:						
General government	1,543,824	-	-	-	73,485	1,617,309
Public safety	5,237,687	-	-	-	-	5,237,687
Public works and streets	1,519,390	-	-	-	-	1,519,390
Culture and recreation	1,223,444	-	-	-	-	1,223,444
Economic development	-	-	201,114	361,050	-	562,164
Debt Service:						
Principal	186,858	-	-	-	-	186,858
Interest and fiscal charges	16,962	-	-	-	-	16,962
Total expenditures	<u>9,728,165</u>	<u>-</u>	<u>201,114</u>	<u>361,050</u>	<u>73,485</u>	<u>10,363,814</u>
Excess (deficiency) of revenues over expenditures	<u>(2,424,018)</u>	<u>-</u>	<u>(67,594)</u>	<u>(138,057)</u>	<u>(27,771)</u>	<u>(2,657,440)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in - interaccount	-	-	-	108,468	-	108,468
Transfers out - interaccount	(108,468)	-	-	-	-	(108,468)
Transfers in	8,067,766	-	199,110	113,146	50,000	8,430,022
Transfers out	(5,728,690)	-	-	-	-	(5,728,690)
Total other financing sources and uses	<u>2,230,608</u>	<u>-</u>	<u>199,110</u>	<u>221,614</u>	<u>50,000</u>	<u>2,701,332</u>
Net change in fund balances	(193,410)	-	131,516	83,557	22,229	43,892
Fund balances - beginning	1,821,718	195	(131,873)	(65,475)	170,415	1,794,980
Fund balances - ending	<u>\$ 1,628,308</u>	<u>\$ 195</u>	<u>\$ (357)</u>	<u>\$ 18,082</u>	<u>\$ 192,644</u>	<u>\$ 1,838,872</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2020

	SPECIAL REVENUE FUNDS							
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	POLICE GRANTS
ASSETS								
Cash and cash equivalents	\$ 71,792	\$ 1,068,581	\$ 7,806	\$ 293,973	\$ 733,852	\$ -	\$ 91,716	\$ 28,682
Investments	-	-	-	-	34,235	-	-	-
Accounts receivable	-	-	-	-	1,750	-	-	-
Due from other governments	-	8,848	5,867	-	-	-	-	-
Due from other funds	-	38,404	-	-	-	-	-	-
Total assets	<u>\$ 71,792</u>	<u>\$ 1,115,833</u>	<u>\$ 13,673</u>	<u>\$ 293,973</u>	<u>\$ 769,837</u>	<u>\$ -</u>	<u>\$ 91,716</u>	<u>\$ 28,682</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 116,549	\$ -	\$ 17,324	\$ 120,742	\$ -	\$ -	\$ 659
Wages payable	-	-	-	8,264	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>116,549</u>	<u>-</u>	<u>25,588</u>	<u>120,742</u>	<u>-</u>	<u>-</u>	<u>659</u>
Deferred Inflows:								
Deferred revenue	-	-	-	-	-	-	-	-
Fund balances:								
Restricted	71,792	-	13,673	268,385	-	-	91,716	28,023
Committed	-	999,284	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	649,095	-	-	-
Total fund balances	<u>71,792</u>	<u>999,284</u>	<u>13,673</u>	<u>268,385</u>	<u>649,095</u>	<u>-</u>	<u>91,716</u>	<u>28,023</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 71,792</u>	<u>\$ 1,115,833</u>	<u>\$ 13,673</u>	<u>\$ 293,973</u>	<u>\$ 769,837</u>	<u>\$ -</u>	<u>\$ 91,716</u>	<u>\$ 28,682</u>

(continued)

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2020, Continued

	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS					TOTALS
	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	
ASSETS							
Cash and cash equivalents	\$ 158,823	\$ 93,088	\$ 67,776	\$ 3,065,120	\$ 190,623	\$ 42,041	\$ 5,913,873
Investments	-	-	-	-	-	-	34,235
Accounts receivable	-	-	-	86,622	-	-	88,372
Due from other governments	55,410	-	-	-	-	-	70,125
Due from other funds	-	-	-	6,657	-	-	45,061
Total assets	<u>\$ 214,233</u>	<u>\$ 93,088</u>	<u>\$ 67,776</u>	<u>\$ 3,158,399</u>	<u>\$ 190,623</u>	<u>\$ 42,041</u>	<u>\$ 6,151,666</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 432,588	\$ -	\$ -	\$ 687,862
Wages payable	-	-	-	-	-	-	8,264
Due to other funds	-	-	-	38,404	-	-	38,404
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,992</u>	<u>-</u>	<u>-</u>	<u>734,530</u>
Deferred Inflows:							
Deferred revenue	<u>55,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,410</u>
Fund balances:							
Restricted	158,823	93,088	67,776	-	190,623	42,041	1,025,940
Committed	-	-	-	-	-	-	999,284
Assigned	-	-	-	2,687,407	-	-	2,687,407
Unassigned	-	-	-	-	-	-	649,095
Total fund balances	<u>158,823</u>	<u>93,088</u>	<u>67,776</u>	<u>2,687,407</u>	<u>190,623</u>	<u>42,041</u>	<u>5,361,726</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 214,233</u>	<u>\$ 93,088</u>	<u>\$ 67,776</u>	<u>\$ 3,158,399</u>	<u>\$ 190,623</u>	<u>\$ 42,041</u>	<u>\$ 6,151,666</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS							
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	POLICE GRANTS
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	114,367	34,376	-	408,575	-	-	10,000
Charges for services	-	-	-	194,775	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	4,009	-	-	48,188	-	-	12,220
Total revenues	<u>5,000</u>	<u>118,376</u>	<u>34,376</u>	<u>194,775</u>	<u>456,763</u>	<u>-</u>	<u>-</u>	<u>22,220</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	29,878	-	-	-
Public safety	-	-	769	-	99,905	-	-	9,745
Public works	-	230,941	-	-	419,012	-	-	-
Culture and recreation	-	-	-	163,681	215,741	-	-	-
Capital Outlay	-	1,035,764	22,389	-	-	-	-	-
Debt Service								
Principal retirement	-	10,141	-	-	-	-	-	-
Interest and fiscal charges	-	717	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,277,563</u>	<u>23,158</u>	<u>163,681</u>	<u>764,536</u>	<u>-</u>	<u>-</u>	<u>9,745</u>
Revenues over (under) expenditures	5,000	(1,159,187)	11,218	31,094	(307,773)	-	-	12,475
OTHER FINANCING SOURCES (USES)								
Transfers in	-	143,500	-	-	1,255,956	-	-	-
Transfers out	-	(29,788)	-	-	-	(1,095)	-	-
Total other financing sources (uses)	<u>-</u>	<u>113,712</u>	<u>-</u>	<u>-</u>	<u>1,255,956</u>	<u>(1,095)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,000	(1,045,475)	11,218	31,094	948,183	(1,095)	-	12,475
Fund balances - beginning	66,792	2,044,759	2,455	237,291	(299,088)	1,095	91,716	15,548
Fund balances - ending	<u>\$ 71,792</u>	<u>\$ 999,284</u>	<u>\$ 13,673</u>	<u>\$ 268,385</u>	<u>\$ 649,095</u>	<u>\$ -</u>	<u>\$ 91,716</u>	<u>\$ 28,023</u>

(continued)

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2020,
Continued**

	DEBT SERVICE FUND		CAPITAL PROJECT FUNDS				TOTALS
	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	
REVENUES							
Taxes	\$ 16,489	\$ -	\$ -	\$ 585,953	\$ -	\$ -	\$ 602,442
Intergovernmental	-	-	-	-	-	-	572,318
Charges for services	-	8,294	-	-	-	-	203,069
Investment earnings	-	-	-	717	-	-	717
Miscellaneous	-	-	-	-	-	-	64,417
Total revenues	<u>16,489</u>	<u>8,294</u>	<u>-</u>	<u>586,670</u>	<u>-</u>	<u>-</u>	<u>1,442,963</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	29,878
Public safety	-	-	-	-	-	-	110,419
Public works	-	-	-	-	-	-	649,953
Culture and recreation	-	-	-	-	1	-	379,423
Capital Outlay	-	4,876	-	1,625,528	-	-	2,688,557
Debt Service							
Principal retirement	-	-	-	-	-	-	10,141
Interest and fiscal charges	-	-	-	-	-	-	717
Total Expenditures	<u>-</u>	<u>4,876</u>	<u>-</u>	<u>1,625,528</u>	<u>1</u>	<u>-</u>	<u>3,869,088</u>
Excess (deficiency) of revenues over expenditures	16,489	3,418	-	(1,038,858)	(1)	-	(2,426,125)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	748,266	163,479	-	2,311,201
Transfers out	-	(17,254)	-	(147,105)	-	-	(195,242)
Total other financing sources and uses	<u>-</u>	<u>(17,254)</u>	<u>-</u>	<u>601,161</u>	<u>163,479</u>	<u>-</u>	<u>2,115,959</u>
Net change in fund balances	16,489	(13,836)	-	(437,697)	163,478	-	(310,166)
Fund balances - beginning	142,334	106,924	67,776	3,125,104	27,145	42,041	5,671,892
Fund balances - ending	<u>\$ 158,823</u>	<u>\$ 93,088</u>	<u>\$ 67,776</u>	<u>\$ 2,687,407</u>	<u>\$ 190,623</u>	<u>\$ 42,041</u>	<u>\$ 5,361,726</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Schedule of Net Position – Special Utility Authority Accounts – June 30, 2020

	Miami Special Utility Authority Accounts				
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,113,905	\$ (2,828,757)	\$ 391,971	\$ 2,691,899	\$ 3,369,018
Cash and cash equivalents, restricted	625,432	7,076,540	-	-	7,701,972
Investments	-	-	-	1,451,458	1,451,458
Accounts receivable, net	3,657,633	-	-	-	3,657,633
Other receivable	436	-	-	-	436
Accrued interest receivable	809	-	-	-	809
Inventory	1,277,240	-	-	-	1,277,240
Due from other accounts	196,674	-	-	-	196,674
Due from other funds	29,755	-	-	-	29,755
Total current assets	8,901,884	4,247,783	391,971	4,143,357	17,684,995
Non-current assets:					
Cash and cash equivalents, restricted	1,195	-	-	-	1,195
Investments, restricted	196,646	-	-	-	196,646
Capital assets:					
Land, construction in progress, and water rights	4,113,412	-	-	-	4,113,412
Other capital assets, net of accumulated depreciation	16,463,189	-	-	-	16,463,189
Total non-current assets	20,774,442	-	-	-	20,774,442
Total assets	29,676,326	4,247,783	391,971	4,143,357	38,459,437
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts related to pension	541,454	-	-	-	541,454
Deferred amounts related to OPEB	238,463	-	-	-	238,463
Deferred amounts related to GRDA settlement	111,119	-	-	-	111,119
Total deferred outflow of resources	891,036	-	-	-	891,036
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	1,873,921	560,286	-	-	2,434,207
Wages payable	167,753	-	-	-	167,753
Due to other accounts	-	-	196,674	-	196,674
Due to other funds	86,495	-	-	-	86,495
Accrued interest payable	23,442	106,885	-	-	130,327
Accrued compensated absences	15,959	-	385	-	16,344
Refundable deposits	38,195	-	-	-	38,195
Capital lease payable	329,194	-	-	-	329,194
Revenue bond payable	-	635,000	-	-	635,000
Notes payable	749,023	-	-	-	749,023
Total current liabilities	3,283,982	1,302,171	197,059	-	4,783,212
Non-current liabilities:					
Accrued compensated absences	144,682	-	3,469	-	148,151
Net pension liability	1,763,490	-	-	-	1,763,490
Total OPEB liability	1,092,568	-	-	-	1,092,568
Refundable deposits	342,597	-	-	-	342,597
Capital lease payable	189,261	-	-	-	189,261
Revenue bond payable	-	7,362,908	-	-	7,362,908
Notes payable, net	2,487,397	-	-	-	2,487,397
Total non-current liabilities	6,019,995	7,362,908	3,469	-	13,386,372
Total liabilities	9,303,977	8,665,079	200,528	-	18,169,584
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pensions	479,613	-	-	-	479,613
Deferred amounts related to OPEB	603,277	-	-	-	603,277
Total deferred inflow of resources	1,082,890	-	-	-	1,082,890
NET POSITION					
Net investment in capital assets	16,870,766	(7,997,908)	-	-	8,872,858
Restricted for debt service	182,575	121,221	-	-	303,796
Unrestricted	3,127,154	3,459,391	191,443	4,143,357	10,921,345
Total net position	\$ 20,180,495	\$ (4,417,296)	\$ 191,443	\$ 4,143,357	\$ 20,097,999

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

**Combining Schedule of Revenues, Expenses and Changes in Net Position – Special Utility Authority
Accounts - Year Ended June 30, 2020**

	Miami Special Utility Authority Accounts				Total
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	
REVENUES					
Charges for services	\$ 25,567,880	\$ -	\$ -	\$ -	\$ 25,567,880
Fees, licenses and permits	-	-	132,409	-	132,409
Miscellaneous	537,704	-	-	-	537,704
Total operating revenues	<u>26,105,584</u>	<u>-</u>	<u>132,409</u>	<u>-</u>	<u>26,237,993</u>
OPERATING EXPENSES					
Personal services	3,728,494	-	76,301	-	3,804,795
Materials and supplies	10,287,553	(443)	39,264	-	10,326,374
Other services and charges	3,138,548	37,227	16,160	-	3,191,935
Depreciation expense	1,597,398	-	-	-	1,597,398
Total operating expenses	<u>18,751,993</u>	<u>36,784</u>	<u>131,725</u>	<u>-</u>	<u>18,920,502</u>
Operating income (loss)	<u>7,353,591</u>	<u>(36,784)</u>	<u>684</u>	<u>-</u>	<u>7,317,491</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	4,698	102,680	-	31,007	138,385
Miscellaneous	95,911	1,400	-	11,695	109,006
Interest expense and fiscal charges	(83,241)	(276,602)	-	-	(359,843)
Total non-operating revenue (expenses)	<u>17,368</u>	<u>(172,522)</u>	<u>-</u>	<u>42,702</u>	<u>(112,452)</u>
Income (loss) before contributions and transfers	<u>7,370,959</u>	<u>(209,306)</u>	<u>684</u>	<u>42,702</u>	<u>7,205,039</u>
Contributed assets- governmental activities	1,458,957	-	-	-	1,458,957
Transfers in, interaccount	4,033,506	907,000	1,354	372,232	5,314,092
Transfers out, interaccount	(1,280,586)	(4,033,506)	-	-	(5,314,092)
Transfers in	6,657,933	-	-	-	6,657,933
Transfers out	(10,844,425)	-	-	(512,256)	(11,356,681)
Change in net position	<u>7,396,344</u>	<u>(3,335,812)</u>	<u>2,038</u>	<u>(97,322)</u>	<u>3,965,248</u>
Total net position - beginning	12,784,151	(1,081,484)	189,405	4,240,679	16,132,751
Total net position - ending	<u>\$ 20,180,495</u>	<u>\$ (4,417,296)</u>	<u>\$ 191,443</u>	<u>\$ 4,143,357</u>	<u>\$ 20,097,999</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Combining Schedule of Cash Flows – Special Utility Authority Accounts - Year Ended June 30, 2020

	Miami Special Utility Authority Accounts				Total
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 25,953,124	\$ 1,400	\$ 132,409	\$ 11,695	\$ 26,098,628
Payments to suppliers	(14,128,904)	522,502	(55,424)	-	(13,661,826)
Payments to employees	(3,749,252)	-	(72,447)	-	(3,821,699)
Receipts from other funds	-	-	55,426	-	55,426
Payments to other funds	(56,895)	(269,964)	-	-	(326,859)
Receipts of customer meter deposits	169,465	-	-	-	169,465
Refunds of customer meter deposits	(204,485)	-	-	-	(204,485)
Net cash provided by operating activities	7,983,053	253,938	59,964	11,695	8,308,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	6,657,933	-	-	-	6,657,933
Transfers to other funds	(10,844,425)	-	-	(512,256)	(11,356,681)
Interaccount transfer in	-	907,000	1,354	372,232	1,280,586
Interaccount transfer out	(1,280,586)	-	-	-	(1,280,586)
Net cash provided by (used in) noncapital financing activities	(5,467,078)	907,000	1,354	(140,024)	(4,698,748)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(803,759)	(4,033,506)	-	-	(4,837,265)
Principal paid on debt	(2,607,085)	(615,000)	-	-	(3,222,085)
Premium on debt issued	129,341	-	-	-	129,341
Note proceeds	1,911,350	-	-	-	1,911,350
Interest and fiscal agent fees paid on debt	(116,800)	(282,044)	-	-	(398,844)
Net cash provided by (used in) capital and related financing activities	(1,486,953)	(4,930,550)	-	-	(6,417,503)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (Purchase) of investments	(4,201)	-	-	(31,007)	(35,208)
Interest and dividends	4,698	102,680	-	31,007	138,385
Net cash provided by investing activities	497	102,680	-	-	103,177
Net increase (decrease) in cash and cash equivalents	1,029,519	(3,666,932)	61,318	(128,329)	(2,704,424)
Balances - beginning of year	2,711,013	7,914,715	330,653	2,820,228	13,776,609
Balances - end of year	\$ 3,740,532	\$ 4,247,783	\$ 391,971	\$ 2,691,899	\$ 11,072,185
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	\$ 3,113,905	\$ (2,828,757)	\$ 391,971	\$ 2,691,899	\$ 3,369,018
Restricted cash and cash equivalents - current	625,432	7,076,540	-	-	7,701,972
Restricted cash and cash equivalents - noncurrent	1,195	-	-	-	1,195
Total cash and cash equivalents, end of year	\$ 3,740,532	\$ 4,247,783	\$ 391,971	\$ 2,691,899	\$ 11,072,185
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 7,353,591	\$ (36,784)	\$ 684	\$ -	\$ 7,317,491
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	1,597,398	-	-	-	1,597,398
Other nonoperating revenue	95,911	1,400	-	11,695	109,006
Change in assets and liabilities:					
Receivables, net	(248,371)	-	-	-	(248,371)
Due from other funds	(56,895)	(269,964)	-	-	(326,859)
Inventory	(273,111)	-	-	-	(273,111)
Deferred outflows related to pension	46,536	-	-	-	46,536
Deferred outflows related to OPEB	(197,528)	-	-	-	(197,528)
Deferred outflows related to GRDA Settlement	15,893	-	-	-	15,893
Accounts payable	(445,585)	559,286	-	-	113,701
Due to other funds	-	-	55,426	-	55,426
Due to employees	48,477	-	-	-	48,477
Refundable deposits	(35,020)	-	-	-	(35,020)
Total OPEB liability	53,007	-	-	-	53,007
Net pension obligation	(156,131)	-	-	-	(156,131)
Accrued compensated absences	35,198	-	3,854	-	39,052
Deferred inflows related to OPEB	153,652	-	-	-	153,652
Deferred inflows related to pension	(3,969)	-	-	-	(3,969)
Net cash provided by operating activities	\$ 7,983,053	\$ 253,938	\$ 59,964	\$ 11,695	\$ 8,308,650
Noncash activities:					
Assets contributed by governmental activities	\$ 1,458,957	\$ -	\$ -	\$ -	\$ 1,458,957
Asset acquired by capital lease	\$ 285,663	\$ -	\$ -	\$ -	\$ 285,663
	\$ 1,744,620	\$ -	\$ -	\$ -	\$ 1,744,620

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Statement of Net Position – Internal Service Funds – June 30, 2020

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,341,987	\$ 196,731	\$ 449,075	\$ 1,987,793
Investments	130,702	-	-	130,702
Other receivable	395,349	-	-	395,349
Due from other funds	208,585	-	-	208,585
Total current assets	<u>2,076,623</u>	<u>196,731</u>	<u>449,075</u>	<u>2,722,429</u>
Total assets	<u>2,076,623</u>	<u>196,731</u>	<u>449,075</u>	<u>2,722,429</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	-	-	560	560
Claims liability	503,243	13,886	107,697	624,826
Due to other funds	-	-	208,585	208,585
Total current liabilities	<u>503,243</u>	<u>13,886</u>	<u>316,842</u>	<u>833,971</u>
Total liabilities	<u>503,243</u>	<u>13,886</u>	<u>316,842</u>	<u>833,971</u>
NET POSITION				
Unrestricted	1,573,380	182,845	132,233	1,888,458
Total net position	<u>\$ 1,573,380</u>	<u>\$ 182,845</u>	<u>\$ 132,233</u>	<u>\$ 1,888,458</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

**Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds -
Year Ended June 30, 2020**

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
REVENUES				
Charges for services	\$ 331,714	\$ 23,324	\$ 1,552,764	\$ 1,907,802
Miscellaneous	94,452	-	(5,975)	88,477
Total operating revenues	<u>426,166</u>	<u>23,324</u>	<u>1,546,789</u>	<u>1,996,279</u>
OPERATING EXPENSES				
Other services and charges	131,707	-	370,480	502,187
Insurance claims and expense	(35,924)	20,676	1,071,708	1,056,460
Total operating expenses	<u>95,783</u>	<u>20,676</u>	<u>1,442,188</u>	<u>1,558,647</u>
Operating income	<u>330,383</u>	<u>2,648</u>	<u>104,601</u>	<u>437,632</u>
NON-OPERATING REVENUES				
Investment income	2,872	-	-	2,872
Total non-operating revenue	<u>2,872</u>	<u>-</u>	<u>-</u>	<u>2,872</u>
Income before transfers	<u>333,255</u>	<u>2,648</u>	<u>104,601</u>	<u>440,504</u>
Transfers out	(177,453)	-	-	(177,453)
Change in net position	<u>155,802</u>	<u>2,648</u>	<u>104,601</u>	<u>263,051</u>
Total net position - beginning	1,417,578	180,197	27,632	1,625,407
Total net position - ending	<u>\$ 1,573,380</u>	<u>\$ 182,845</u>	<u>\$ 132,233</u>	<u>\$ 1,888,458</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Combining Statement of Cash Flows – Internal Service Funds - Year Ended June 30, 2020

	WORKER'S COMPENSATION FUND	UNEMPLOYMENT FUND	HEALTH INSURANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 929,340	\$ 23,324	\$ 1,585,286	\$ 2,537,950
Payments to suppliers	(131,707)	-	(369,920)	(501,627)
Payments to other funds	-	-	208,585	208,585
Payments from other funds	(208,585)	-	-	(208,585)
Claims and benefits paid	(677,889)	(6,790)	(1,057,578)	(1,742,257)
Net Cash Provided by (used in) Operating Activities	<u>(88,841)</u>	<u>16,534</u>	<u>366,373</u>	<u>294,066</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(177,453)	-	-	(177,453)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(177,453)</u>	<u>-</u>	<u>-</u>	<u>(177,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	2,872	-	-	2,872
Sale (purchase) of investments	(2,872)	-	-	(2,872)
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in Cash and Cash Equivalents	(266,294)	16,534	366,373	116,613
Balances - beginning of the year	<u>1,608,281</u>	<u>180,197</u>	<u>82,702</u>	<u>1,871,180</u>
Balances - end of the year	<u>\$ 1,341,987</u>	<u>\$ 196,731</u>	<u>\$ 449,075</u>	<u>\$ 1,987,793</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 1,341,987	\$ 196,731	\$ 449,075	\$ 1,987,793
Total cash and cash equivalents	<u>\$ 1,341,987</u>	<u>\$ 196,731</u>	<u>\$ 449,075</u>	<u>\$ 1,987,793</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ 330,383	\$ 2,648	\$ 104,601	\$ 437,632
Change in assets and liabilities:				
Receivables, net	503,174	-	38,497	541,671
Due from other fund	(208,585)	-	-	(208,585)
Accounts payable	-	-	560	560
Due to other funds	-	-	208,585	208,585
Claims liability	(713,813)	13,886	14,130	(685,797)
Net Cash Provided by (used in) Operating Activities	<u>\$ (88,841)</u>	<u>\$ 16,534</u>	<u>\$ 366,373</u>	<u>\$ 294,066</u>

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Schedule of Cash Flows – Discretely Presented Component Units - Year Ended June 30, 2020

	<u>MCFA</u>	<u>MDRA</u>	<u>MIPFA</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 100,105	\$ 262,675	\$ 63,964	\$ 426,744
Payments to suppliers	(91,246)	(177,691)	(3,336)	(272,273)
Payments to employees	-	(94,210)	-	(94,210)
Net Cash Provided by (used in) Operating Activities	<u>8,859</u>	<u>(9,226)</u>	<u>60,628</u>	<u>60,261</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	-	137	137
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>137</u>	<u>137</u>
Net Increase (decrease) in Cash and Cash Equivalents	8,859	(9,226)	60,765	60,398
Balances - beginning of the year	<u>167,394</u>	<u>28,579</u>	<u>111,358</u>	<u>307,331</u>
Balances - end of the year	<u>\$ 176,253</u>	<u>\$ 19,353</u>	<u>\$ 172,123</u>	<u>\$ 367,729</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	<u>\$ 176,253</u>	<u>\$ 19,353</u>	<u>\$ 172,123</u>	<u>367,729</u>
Total cash and cash equivalents	<u>\$ 176,253</u>	<u>\$ 19,353</u>	<u>\$ 172,123</u>	<u>\$ 367,729</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (285,019)	\$ (111,395)	\$ 31,903	\$ (364,511)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	251,697	2,525	28,713	282,935
Other nonoperating revenue	493	112,883	-	113,376
Change in assets and liabilities:				
Other receivable	66,468	-	-	66,468
Accounts payables	(24,780)	(13,083)	12	(37,851)
Accrued compensated absences	-	(156)	-	(156)
Net Cash Provided by (used in) Operating Activities	<u>\$ 8,859</u>	<u>\$ (9,226)</u>	<u>\$ 60,628</u>	<u>\$ 60,261</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Schedule of Federal Awards

City of Miami, Oklahoma
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Grant LD. Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<u>Institute of Museum and Library Services</u>				
Pass through Oklahoma Department of Libraries				
English Language Instruction	45.310	F-19-122	\$ 5,000	\$ 3,951
Health literacy	45.310	F-19-037	9,000	5,084
Subtotal Grants to States 45.310			<u>14,000</u>	<u>9,035</u>
Pass through Oklahoma Humanities Council				
Promotion of the Humanities	45.129	Y20.011	978	891
Promotion of the Humanities	45.129	Y19.057	1,000	1,000
Total Oklahoma Humanities Council			<u>1,978</u>	<u>1,891</u>
Total Institute of Museum and Library Services			<u>15,978</u>	<u>10,926</u>
<u>Department of the Interior</u>				
Pass through Oklahoma Department of Interior				
Outdoor Recreation Acquisition, Development and Planning	15.916	40-01231	<u>291,825</u>	<u>17,885</u>
<u>Department of Homeland Security</u>				
Assistance to Firefighters grant	97.044	EMW-2017-FO-03596	<u>8,200</u>	<u>392</u>
Pass through Oklahoma Emergency Management				
Saferoom	97.039	FEMA 4256	<u>192,000</u>	<u>16,000</u>
Total Department of Homeland Security			<u>200,200</u>	<u>16,392</u>
<u>Department of Agriculture</u>				
Community Facilities Loans and grants	10.766	USDA	<u>50,000</u>	<u>50,000</u>
<u>Department of Justice</u>				
State and Local HIDTA Task Force Grant	16.809	HIDTA Treas 303	18,344	15,352
JAG	16.017	LLE-2019_MIAMIK CI-0056	<u>10,000</u>	<u>10,000</u>
Total Department of Justice			<u>28,344</u>	<u>25,352</u>
<u>US Department of the Treasury</u>				
Coronavirus Relief Fund	21.019	N/A	4,055	4,055
Total Federal Awards			<u>\$ 590,402</u>	<u>\$ 124,610</u>

Notes to Schedule of Expenditures of Federal Awards

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE INFORMATION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members of the City Council
City of Miami, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2020. Other auditors audited the financial statements of the Miami Industrial Authority ("MIDA"), as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 28, 2020

CITY OF MIAMI, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2020

None in the current year.

CITY OF MIAMI, OKLAHOMA

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended June 30, 2020

Finding 2019-001 Negative Fund Balances

Criteria: State law does not permit the City to incur deficit fund balances.

Condition: At June 30, 2019, the Grant Fund reported a deficit fund balance of \$299,088.

Cause: Allowable expenditures incurred by the City had not been reimbursed by the granting agency which resulted in a deficit fund balance at year-end.

Effect: Delays in requesting or receiving grant reimbursements can cause negative fund balances until those funds are received by the City from the granting agency.

Recommendation: We recommend that the City ensure policies are in place to monitor its fund balance when large unreimbursed grant funds exist.

City's Response: The Route 66 splash pad project is a reimbursable grant. The project period was from September 2017 through December 2019. The work for the splash pad was performed throughout FY 18-19 and both completion and reimbursement were expected that fiscal year. However, due to various construction errors/issues the project continued. Reimbursement is expected in the 3rd quarter of FY 19-20. The grant fund is a participant in pooled cash, which allows use of pooled cash reserves until reimbursement occurs. In the future we will be more cautious in reconciling regarding transfers of matching funds.

Current Year Status: This finding has been corrected in the current period.